



2005



STATE  
SPORT  
CENTRES  
TRUST

annual report





Celebrating our  
10 Millionth Visitor!



# STATE SPORT CENTRES TRUST

MELBOURNE SPORTS AND AQUATIC CENTRE



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2005

annual report



# 1. Chairman's Report



I am pleased to provide this the fifth annual report for the State Sport Centres Trust (eighth MSAC), which provides details relating to the Trust's venues and businesses, including Financial Statements for the year ending 30 June 2005.

## Melbourne Sports and Aquatic Centre

On 5 November 2004, together with the Hon. Justin Madden, Minister for Sport, Recreation and Commonwealth Games I had pleasure in welcoming and celebrating our 10 millionth visitor to the facility. The event was followed by a short ceremony and morning tea, when our management team and staff were thanked for their contribution to the outstanding success achieved by the Centre since opening in July 1997.

As foreshadowed in last year's report, construction works associated with the Stage 2 redevelopment had, and continue to have a significant impact on the Centre's day-to-day operation. However, careful business planning and management have resulted in limiting inconvenience to patrons and the financial implications for the Centre, maintaining as far as possible daily attendances as well as the staging of major events.

Notwithstanding these major event commitments, the Trust has to maintain its charter of sustainability into the future and a vital part of meeting this challenge will be the development of complementary leisure and recreational use for the newly completed Stage 2 pool area.

For the period 2004/2005 we held over 91 events comprising international, national, state sport associations as well as corporate days. In January, MSAC hosted the highly successful 2005 Deaflympics with over 1000 participants per day from a wide range of competing nations and attracting substantial spectator attendances over a two-week period.

The MSAC Stage 2 redevelopment continues to be a major attraction site for overseas delegations comprising visiting representatives from both international government and sporting organisations. These visitors create a growing interest in and demand for management programs being developed by the Trust through the Melbourne School of Sport and Recreation Management.

Consistent with our long term strategy to develop new community based programs and services, particularly in the area of health and wellness, the Trust has worked to forge new relationships with associated health care organisations. Programs including "Manage Your Diabetes", "The Good Back Program" and "Energise in 30" have been successfully trialled with positive results and it is planned to integrate these programs on a regular basis in the future. A further upgrade to the Gym has been undertaken with new equipment at a cost of \$100,000.

## State Netball and Hockey Centre

Netball continues to grow at a local, state and national level with the Centre providing a key asset for development of the sport as well as a state home base to facilitate competition and showcase major events which this year included, at international level, Australia versus England and Australia versus South Africa.

In addition, SNHC staged the national level Australian Hockey League and Australian Men's Under 21 Hockey Championships.

Two major initiatives this year included a new hockey pitch re-cycling system that significantly decreases the Centre's usage of domestic drinking quality water by up to 75%. A Government Smart Water Fund initiative, the scheme is now fully operational.

In preparation for the Melbourne 2006 Commonwealth Games Hockey Pitches 1 and 2 have been re-laid to provide a new world class playing surface.

In addition to its primary sports partners, Hockey Victoria and Netball Victoria, further diversification of events staged at the Centre has continued to contribute to the overall viability of the Centre's financial operation and utilisation. During the year, the Centre hosted:

- The National Lacrosse Championships
- The Australia Schools Volleyball Cup
- Harlem Globetrotters
- Andrew Gaze's record breaking game for the most NBL games played
- The Commonwealth Bank Trophy home and away season, Australian Hockey League games and Melbourne Tigers home games

### Melbourne School of Sport and Recreation Management

A major activity of the School has been the development of the International Sports Facility Management Program for delivery in March 2006. This program will encompass all operational facets of a multi-use facility catering for both national and international participants.

In addition, over the 2004/2005 financial year, MSSRM has:

- Launched twelve new professional development programs in the areas of Event Management, Health and Wellness, Aquatics, General Management, Customer Service and Career Management
- Delivered the inaugural Breakfast Seminar series
- Continued to conduct popular Career Orientation sessions
- Presented at numerous conferences, events and school career expos
- Launched Sportwise - a free weekly service providing updates on professional development and job opportunities in the sport and recreation industry
- Commenced refurbishment of Sports House into a state-of-the-art training facility and office accommodation for sport organisations
- Successfully delivered a range of specialist tailored organisational training for sport and recreation organisations

### Acknowledgements

The Trust appreciates the valuable support received from the Victorian Government, the Minister for Sport, Recreation and the Commonwealth Games, the Hon Justin Madden, including officers of the Department, particularly during this challenging redevelopment phase in preparation for Melbourne 2006 Commonwealth Games. The Trust is confident that when complete MSAC will continue to build on its reputation as one of the world's leading multi-sport venues.

A major contributor to the continuing success and recognition of the Trust's venues is the commitment of our dedicated staff and management team headed by the Chief Executive Officer, Simon Weatherill.

This year marked the retirement from the Trust of Denis Roche, having served the limit of three three-year terms. On behalf of the Trust and management team, our sincere thanks to Denis who over nine years brought both unique business and construction skills as well as dedication to his role as a Trust member.

Finally, my thanks to fellow Trust members Carmel Ackerly, Elaine Canty, Sue Crow, Penny McEniry and Mark Naughton. I look forward to the future opportunities facing the Trust including our part in the staging of the Commonwealth Games in 2006 and the FINA World Championships in 2007.



Mr Brian J. Lowrie  
Chairman

## 2. Report of Operations

### A. Establishment

The Melbourne Sports and Aquatic Centre is a statutory authority established pursuant to the Melbourne Sports and Aquatic Centre Act 1994. The Centre opened for business on 27 July 1997.

On 22 December 1999 the Melbourne Sports and Aquatic Centre Act 1994 was amended by the Melbourne Sports and Aquatic Centre (Amendment) Act 1999. As outlined in section 1 of the Act, the main purpose of this Amendment was to:

- a) Rename the Melbourne Sports and Aquatic Centre Trust as the State Sport Centres Trust; and
- b) Extend the powers of the Trust to enable it to manage the State Netball Hockey Centre and other sports, recreation and entertainment facilities and services.

As outlined in sections 14 and 15 of the Amendment, the Melbourne Sports and Aquatic Centre and the State Netball Hockey Centre are to be managed as independent Strategic Business Units, each producing a Business Plan and having separate and individual Financial Operation and Accounts. It is the Government and Trust's policy that the Centres will not receive any cross subsidies for operation.

The State Netball Hockey Centre opened for business on 29 January 2001 and was officially opened by the Premier of Victoria, the Honourable Steve Bracks on 16 March 2001.

On 10 October 2004, the State Sport Centres Act was amended by the State Sport Centres (Amendment) Act 2004. As outlined in section 1 of the Act, the main purpose of this amendment was to "include additional land in the land at the Melbourne Sports and Aquatic Centre and to provide additional management powers in relation to the Melbourne Sports and Aquatic Centre land."

Under the Act the relevant Minister is the Honourable Justin Madden, Minister for Sport and Recreation.



*An artist's impression of the finished Melbourne Sports and Aquatic Centre - Stage 2.*

### B. Functions and Vision

The key functions of the State Sport Centres Trust are as follows:

- a) The management, operation and maintenance of the Melbourne Sports and Aquatic Centre and the State Netball Hockey Centre;
- b) The care, improvement, use and promotion of the Melbourne Sports and Aquatic Centre and the State Netball Hockey Centre;
- c) The efficient financial management of the Melbourne Sports and Aquatic Centre and the State Netball Hockey Centre;
- d) The care, protection and management of the State Netball Hockey Centre land, and Melbourne Sports and Aquatic Centre land, including maintaining the Melbourne Sports and Aquatic Centre land and the facilities on the land to a standard that complements Albert Park;
- e) Subject to the Act, the planning, development, management, promotion, operation and use of other sports, recreation and entertainment facilities and services in Victoria;
- f) The development, management, promotion, operation and use of facilities and services for the parking of vehicles and other necessary services to be used in conjunction with any of the facilities or services managed or operated by the Trust; and
- g) To accept appointment and act as a committee of management of Crown lands.

#### Range of Services Provided

The Act outlines the range of services to be provided as sporting, educational, recreational, social and entertainment.

#### The State Sport Centres Trust Vision is:

The State Sport Centres Trust will be a world leader in the staging of sporting events and the provision of activities that enhance community health and wellbeing.

#### The State Sport Centres Trust Mission is:

- Be the leading destination in Victoria for sport and recreation;
- Ensure optimal, access to, and utilisation of, the facilities by the Victorian Community;
- Provide first class facilities for major sporting events;
- Continually strive to improve the delivery of customer focused programs, events and services;
- Achieve best practice in all aspects of operation;
- Maintain financial viability; and
- Conduct all activities in a safe and hygienic environment.

## C. Organisation Structure and Corporate Governance Arrangements

### Members of the Trust

#### MR BRIAN LOWRIE – CHAIRMAN OF THE TRUST

Mr Lowrie is Principal of Pharmedex (Australia), which provides consulting and related services to health, pharmaceutical and service industries. From 1978 - 1996 he was President of the Pharmacy Guild of Australia (Vic) and from 1994 - 1998 he was Chairman of Directors of the general insurance and financial services group Guild Commercial Ltd. A past Chairman and Director of Anglican Aged Care Services Group, he has also served as a Director of Pharmacy Computers Australia Pty Ltd.

#### MS CARMEL ACKERLY (from December 2004)

Ms Ackerly is a professional facilitator and consultant with qualifications in Accounting, Business and Education. She is a Certified Practising Accountant and has a Masters of Management with postgraduate qualifications in the area of adult education. She is Chair of Audit Committee for the Office of Chief Electrical Inspector and operated her own training company for six years.

#### MS ELAINE CANTY

Ms Canty is a broadcaster, journalist and lawyer. She runs a corporate communications consultancy Canty Communications Pty Ltd and is currently a Board Member of Royal Women's Hospital, Queen Victoria Market, Melbourne Wholesale Fish Market and VicHealth. She is also deputy Chair of the Royal Botanic Gardens. Elaine was a foundation Director of the Victorian Institute of Sport. She is also a former Board Member of Athletics Australia and Melbourne 2002 World Masters Games.

#### MS SUE CROW (from December 2004)

Ms Crow is Chief Executive of Softball Australia and has previously held positions as Executive Director of Women's Cricket Australia and National Development Officer for Australian Football. In her role at the Victorian Aquatic Industry Council, Ms Crow worked on the management of the Victorian Water Safety Campaign (Play it Safe by the Water) and in project and promotional work with the aquatic industry.

#### MS PENELOPE MCENIRY

Ms McEniry has experience in the public, private and community sectors, most recently with VicHealth. She has served on a diverse range of boards and committees including, Australian Council for Health, Physical Education and Recreation, Philip Institute of Technology and Noah's Ark Toy Library. Ms McEniry has degrees in Physical Education and Arts and a Post-Graduate qualification in Organisation Behaviour and Education.

#### MR MARK NAUGHTON

Mr Naughton is a Director and Principal of The Partners Advisory Pty Ltd, a property and business consultancy. Previously Mr Naughton headed up Minter Ellison's town planning and environmental law practice and remains a Law Institute of Victoria accredited specialist in environmental, planning and local government law. He is also a Board Member of the Leukemia Foundation of Victoria.

#### MR DENIS ROCHE (to May 2005)

Mr Roche was joint Managing Director of the Roche Bros. Group of Companies, a position he had held from 1984 to 1990. Mr Roche joined the Roche Bros. Mining Division early in his career and from 1990 - 1995 he was Chairman of the company. In the period 1987 - 1995 he was also a Director of Macquarie Resources. He is a Founding Member of the Portsea Surf Lifesaving Foundation and a Member of the Court of Directors of the Royal Humane Society of Australia Inc.

### Audit Committee

Ms Carmel Ackerly (Chairperson)

Mr Brian Lowrie

### Code of Conduct

The Trust operates under the code of conduct for the Victorian public sector, which provides guidance for addressing ethical issues such as conflicts of interest. The Trust has a financial code of practice, which is reviewed annually.

### Members' Meetings

Trust Member	Meetings Held*	Meetings Attended
Mr Brian Lowrie	11	11
Ms Carmel Ackerly	5	5
Ms Elaine Canty	11	10
Ms Sue Crow	5	5
Ms Penelope McEniry	11	10
Mr Mark Naughton	11	9
Mr Denis Roche	10	9

\*Reflects the number of meetings held during the time the member held office.

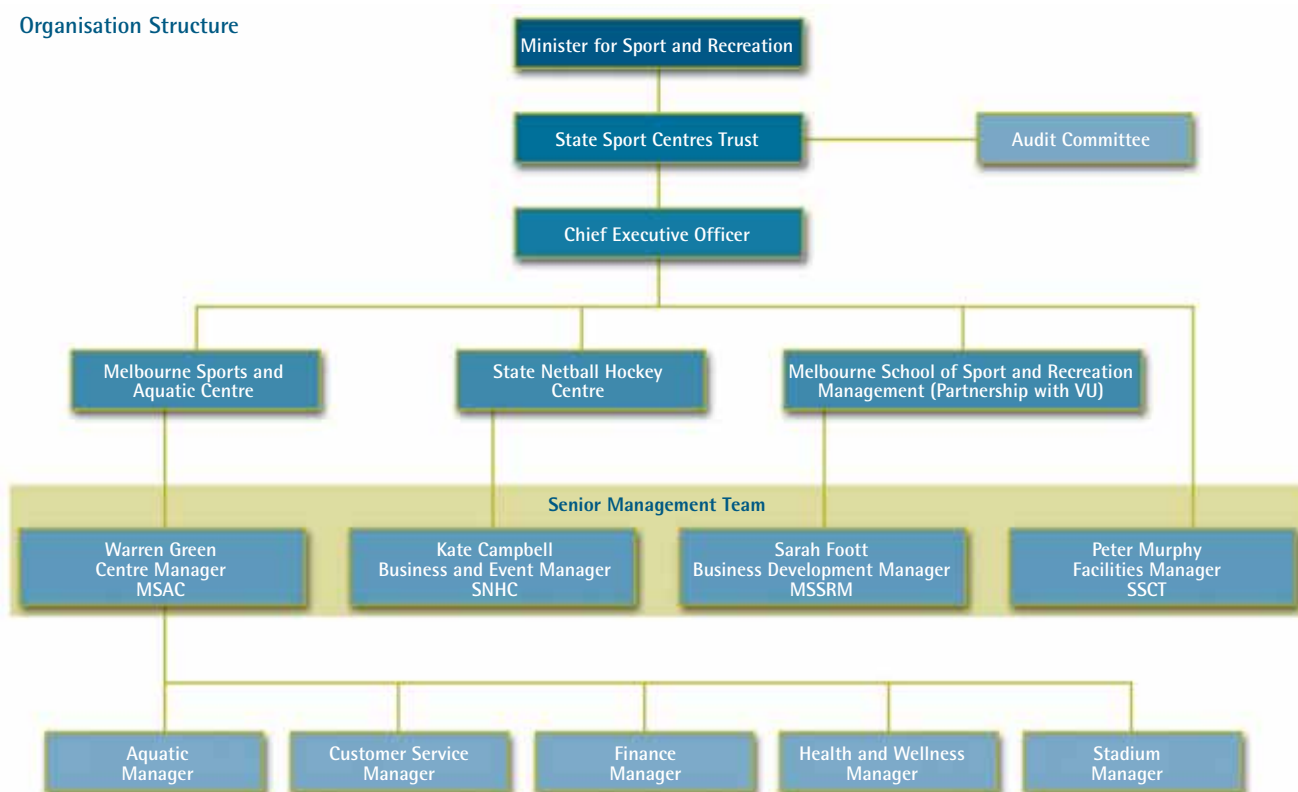
## 2. Report of Operations



L-R: Simon Weatherill, Penelope McEniry, Denis Roche, Brian Lowrie, Carmel Ackerly, Elaine Canty, Mark Naughton, Sue Crow.

Photo digitally enhanced.

### Organisation Structure





## D. Human Resource Management

The number of personnel employed by the State Sport Centres Trust as at 30 June 2005 was 338.

Staff profile by position	2005			2004		
	Male	Female	Total	Male	Female	Total
Executive Officers	2	0	2	2	0	2
Full time	26	13	39	27	29	56
Part time	15	20	35	12	23	35
Casual	112	150	262	156	179	335
Total	155	183	338	195	231	426
Full time equivalent			100			101

The SSCT certified agreement contains a dispute resolution clause.

The SSCT is an equal opportunity employer.

## E. Occupational Health and Safety

The SSCT is committed to the highest level of public health and safety, and compliance with the legislation and standards relating to the provision of health and safety in public sporting facilities.

### Injuries per 1000 visits

	2005	2004
MSAC	0.26	0.36
SNHC	1.39	1.19

### Qualifications of staff that provide activity supervision

Qualification	Number of Staff
1st Aid Level 2	133
1st Aid Level 3	9
Pool Lifeguard	65
Defibrillation	18

Staff representatives from each work area form an Occupational Health and Safety Committee. The Committee meets on a regular basis and implements reports and monitors issues of health and safety for both staff and patrons.

No time was lost to industrial disputes in 2005 (2004: 0), and 14.5 (2004: 5) days were lost due to work related injuries.

## F. Freedom of Information

### Requests for Access

Requests for access to documents under the Freedom of Information Act 1982 should be addressed to the Chief Executive Officer - State Sport Centres Trust, Melbourne Sports and Aquatic Centre, Box Number 1, Aughtie Drive, Albert Park, 3206.

Requests must satisfy the formal requirements set out in the Freedom of Information Act 1982 and be accompanied by a \$20.50 application fee (\$21 from 1 July 2005). In particular, the applicants should ensure that the request provides sufficient information concerning the document as is reasonably necessary to enable the responsible officer of the Trust to identify the document. Where a request does not comply with the necessary requirements, the applicant will be so advised and given the opportunity to reformulate the request.

Upon receipt of a request the Trust will endeavour to provide a response as soon as practicable and in any case, not later than 45 days after the day on which the request is received by the Trust. The types of documents to which access will not be granted are detailed in part 4 of the Freedom of Information Act 1982. Where access is denied, applicants will be given reasons. Applicants may then apply for an internal review of the decision. The internal review will be conducted by the Principal Officer or delegate. Further appeals to the Ombudsman or the Administrative Appeals Tribunal can be made in accordance with the procedures set out in the Freedom of Information Act 1982.

### Summary of Requests

During the period to 30 June 2005 the Trust received nil requests for information pursuant to the Freedom of Information Act 1982 (2004: 0).

## 2. Report of Operations

### Categories of Documents

The Trust maintains records and files incorporating documents relating to general administrative matters and the operation of SSCT facilities. All records and files are maintained at the Trust's premises at Albert Park and Royal Park.

### G. Compliance with Building Act 1993

Over the past year, nothing in the Building Act 1993 applies to the carrying out of works authorised by or in accordance with the State Sport Centres Act or at the request of the Trust. The Trust has however undertaken to comply with the specifications of the Building Act 1993 wherever applicable.

### H. National Competition Policy

The Trust applies the principles of competitive neutrality to all commercial operations in accordance with the Victorian Government Competitive Neutrality Policy, where it is in competition with private sector enterprises, but where the provision of services or facilities by the Trust is deemed to be in the public benefit, the principles are not applied.

### I. Consultancy Services

#### Consultancies costing in excess of \$100,000:

Name:	NA	
Description:	NA	
Project:	NA	
Amount:	\$nil	(2004: \$nil)
Future Commitment:	\$nil	(2004: \$nil)

#### Consultancies costing less than \$100,000:

Number:	3	(2004: 4)
Total Amount:	\$88,433	(2004: \$48,237)

### J. Implementation of the Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the Victorian Industry Participation Policy Act 2003, which requires the Trust to report on the implementation of the Victorian Industry Participation Policy (VIPP). The Trust is required to apply VIPP in all tenders over \$3 million. During 2004/2005 the Trust did not commence or complete any contracts to which the VIPP applied.

### K. Information Available on Request

In accordance with section 9.1.3 (ii) (i) of the Financial Management Act 1994, information as required by Section 9.1.3 (iv) of the Financial Management Act 1994 has been prepared and is available to the Minister for Sport and Recreation, the Honourable Mr Justin Madden MLC, Members of Parliament and the public on request.



## L. Financial Review of Operations and Financial Condition

### Five Year History

The income and expenditure earned and incurred on activities at Melbourne Sports and Aquatic Centre and State Netball Hockey Centre for the year ending 30 June 2005 (excluding Government Grants received, assets first recognised, proceeds from the sale of assets, depreciation and other expenses from ordinary activities) has resulted in a net surplus of \$561,000.

	SSCT 2005 \$'000	SSCT 2004 \$'000	SSCT 2003 \$'000	SSCT 2002 \$'000	SSCT 2001 \$'000
Trading revenue	8,653	8,530	8,495	8,212	7,540
Sponsorships	412	421	514	328	295
Reimbursement of expenses	517	187	330	254	0
Tenancy rental	534	529	536	563	589
Interest	496	495	476	226	252
	10,612	10,162	10,351	9,583	8,676

Employee benefits	4,710	4,442	4,251	3,852	3,505
Supplies and contracts	5,341	5,062	4,841	4,826	4,217
	10,051	9,504	9,092	8,678	7,722
Net result	561	658	1,259	905	954

### Financial Performance

The State Sport Centres Trust recorded a deficit of \$1.839 million in 2004/2005 as outlined in the Statement of Financial Performance. This performance was better than budget for both MSAC and SNHC. Key factors included:

- The impact of MSAC Stage 2 including no Albert Road access and reduced car parking.
- No assets were recognised for the first time in 2004/2005.
- Reimbursements of expenses increased due the increased number of larger events and subsequent on-costing of expenditure, including the Deaflympics in January 2005.

### Financial Position

The State Sport Centres Trust recorded an increase in equity of \$38.870 million in 2004/2005. This position was due to the following key factors:

- In October 2004, The State Sport Centres Trust became the committee of management for land previously leased. The value of this land is included as contributed capital at the date of the transfer.

- All land and buildings were re-valued at 30 June 2005, having a significant impact on financial position.
- The State Government contributed \$1.3 million for one-off capital works during the period.

### Cash Flow

The State Sport Centres Trust recorded a decrease in cash held of \$0.152 million in 2004/2005. This included the following key impact:

- Receipts for plant and equipment include the grants from State Government.

### Future Outlook

The equity position for the State Sport Centres Trust is expected to increase in 2005/2006 due to the completion of MSAC Stage 2 and the formal handover to the State Sport Centres Trust as outlined in note 19 of the financial statements.

The cash position is expected to decrease in 2005/2006 as it is expected that funding already received and committed to the MSAC Stage 2 works will be spent as outlined in note 13 of the financial statements.

## 2. Report of Operations

### M. Disclosure Index

The Annual Report of the State Sport Centres Trust is prepared in accordance with all relevant Victorian legislations. This index has been prepared to facilitate identification of the Trust's compliance with statutory requirements.

#### MINISTERIAL DIRECTIONS

##### Report of Operations

###### Charter and Purpose

Legislation	Requirement	Page Reference
FRD 22	Manner of establishment and relevant Ministers	4
FRD 22	Objectives, functions, powers and duties	4
FRD 22	Nature and range of services provided	4

###### Management and Structure

Legislation	Requirement	Page Reference
FRD 22	Organisation structure	6

###### Financial and other information

Legislation	Requirement	Page Reference
FRD 22	Statement of workforce data and merit and equity	7
FRD 22	Summary of the financial results for the year	9
FRD 22	Significant changes in the financial position during the year	9
FRD 22	Major changes or factors affecting performance	9
FRD 22	Subsequent events	23
FRD 22	Application and operation of Freedom of Information Act	7
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	8
FRD 22	Statement on National Competition Policy	8
FRD 22	Application and operation of the Whistleblowers Protection Act 2001	31
FRD 22	Details of consultancies over \$100,000 and under \$100,000	8
FRD 22	Statement of availability of other information	8
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FRD 15	Executive officer disclosures	22
FRD 10	Disclosure index	10
FRD 25	Victorian Industry Participation Policy Disclosures	8



## Financial Statements

Financial statements required under Part 7 of the FMA

Legislation	Requirement	Page Reference
SD 4.2c	Compliance with Australian accounting standards and other authoritative pronouncements	15
SD 4.2c	Compliance with Ministerial Directions	15
SD 4.2d	Rounding of amounts	17
SD 4.2c	Accountable officer's declaration	29
SD 4.2f	Model Financial Report	15
SD.4.2b	Statement of financial performance	12
SD 4.2b	Statement of financial position	13
SD 4.2b	Statement of cash flows during the year	14

Other disclosures in notes to the financial statements

Legislation	Requirement	Page Reference
FRD 13	Disclosure of parliamentary appropriations	17
FRD 21	Responsible person and executive officer disclosures	21
FRD 23	Superannuation liabilities and disclosure	22

• Freedom of Information Act 1982	7
• Whistleblowers Protection Act 2001	31
• Building Act 1993	8

Dated at Melbourne on 22 September 2005

Signed in accordance with a resolution of the Members



Brian J Lowrie  
Chairman - State Sport Centres Trust  
(on behalf of the Members)

### 3. Financial Statements



**STATE  
SPORT  
CENTRES  
TRUST**

#### ANNUAL ACCOUNTS FOR YEAR ENDED 30 JUNE 2005

##### Statement of Financial Performance For the year ended 30 June 2005

	Notes	SSCT 2005 \$ '000	SSCT 2004 \$ '000
Revenue from ordinary activities	3	11,307	16,824
Expenses from ordinary activities	4	13,144	12,500
Share of net profits of associates	22	(2)	26
Net result for the reporting period	12 (b)	(1,839)	4,350
Net increase (decrease) in asset revaluation reserve	12 (c)	31,484	0
Total changes in equity other than those resulting from transactions with the Victorian State Government in its capacity as owner		29,645	4,350

The above statement of financial performance should be read in conjunction with the accompanying notes.

## Statement of Financial Position As at 30 June 2005

		SSCT 2005 \$ '000	SSCT 2004 \$ '000
	Notes		
<b>Current assets</b>			
Cash assets	5, 20	9,600	9,752
Receivables	6, 20	851	286
Prepayments	7	53	45
Accrued revenue	7, 20	234	84
Total current assets		10,738	10,167
<b>Non-current assets</b>			
Property, plant and equipment	8	141,326	102,863
Investments in associates (MSSRM)	1(f), 22	24	26
Total non-current assets		141,350	102,889
<b>Total assets</b>		152,088	113,056
<b>Current liabilities</b>			
Payables	9, 20	745	650
Provisions	10	136	111
Other	11	273	257
Total current liabilities		1,154	1,018
<b>Non-current liabilities</b>			
Provisions	10	73	47
Total non-current liabilities		73	47
<b>Total liabilities</b>		1,227	1,065
<b>Net assets</b>		150,861	111,991
<b>Equity</b>			
Contributed capital	12(a)	104,000	94,775
Asset revaluation reserves	12(c)	41,862	10,378
Accumulated surplus / (losses)	12(b)	4,999	6,838
<b>Total equity</b>		150,861	111,991

The above statement of financial position should be read in conjunction with the accompanying notes.

### 3. Financial Statements

#### Statement of Cash Flows For the year ended 30 June 2005

		SSCT 2005 \$ '000	SSCT 2004 \$ '000
	Notes		
<b>Cash flows from operating activities</b>			
Receipts from customers		10,435	11,292
Receipts from sponsors		458	410
Government grants		413	656
Interest received		545	416
Payments to associates		(100)	(100)
Payments to creditors and employees (GST inclusive)		(11,092)	(11,402)
Net cash inflow from operating activities	14(b)	659	1,272
<b>Cash flows from investing activities</b>			
Payments for furniture, plant and equipment		(2,146)	(2,260)
Receipts for furniture, plant and equipment		1,335	26
Net cash (outflow) from investing activities		(811)	(2,234)
Net increase (decrease) in cash held		(152)	(962)
Cash at the beginning of the financial year		9,752	10,714
Cash at the end of the financial year	14(a)	9,600	9,752

The above statement of cash flows should be read in conjunction with the accompanying notes.



## Notes to the Financial Statements

### Note 1. Reporting Entity

The financial statements include all the controlled activities of the State Sport Centres Trust (SSCT), which is a statutory authority established under the State Sport Centres (Amendment) Act 1994 No. 117 ("Act").

It manages both the Melbourne Sports and Aquatic Centre (MSAC) and the State Netball Hockey Centre (SNHC). Sections 14 and 15 of the Act requires MSAC and SNHC to be managed as independent Strategic Business Units, each producing a Business Plan and operating independently with separate and individual financial operations and accounts. It is the Government and the SSCT's policy that the Centres will not receive any cross subsidies for operation.

### Note 2. Summary of Significant Accounting Policies

The significant policies adopted in the preparation of these financial statements are:

#### a. Basis of Preparation

The financial report of the SSCT is a general purpose financial report which has been prepared in accordance with the Financial Management Act 1994, Financial Reporting Directions, Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views. The financial statements have been prepared on an accruals basis using the historical cost convention, and do not take into account changing money values or, except where stated, current valuations of non-current assets. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

#### b. Allocation between Current and Non-current

In determining whether an asset or a liability is current or non-current, consideration is given to the period in which each asset or liability is expected to be realised or paid within a 12 month cycle, being the SSCT's operating cycle.

#### c. Acquisition of Assets

Items of property, plant and equipment are recorded firstly at cost. Cost comprises the purchase consideration of the asset plus cost incidental to the acquisition. The land value for the SNHC and MSAC has been determined using an independent valuation of adjusted market value provided by the Valuer General as at 30 June 2005. Buildings and other assets are brought to account firstly at cost, and subsequently revalued at fair value.

#### d. Income Recognition

Trading, sponsorship and government grants are recognised as revenues once the SSCT obtains control over the assets in accordance with AASB1004. In particular, they are recognised as follows:

- i. Sponsorship Revenue. Sponsorship Revenue is recognised in the financial year in which the SSCT gains control over the sponsorship funds.
- ii. Trading Income. Membership fees are recognised in the financial year in which the membership applies. Fees relating to subsequent periods are recognised as a Deferred Income liability at year-end.
- iii. Other Revenue. Government Grants and other revenue are recognised as income when the SSCT gains control of such revenue.

#### e. Receivables

Trade accounts receivable, and other receivables represent the principal amounts due at balance date plus accrued interest and less provisions for doubtful debts.

Collectability of debtors is reviewed on an on-going basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when collection of the full nominal amount is no longer probable.

#### f. Accounting for investments in associates

Investment in associates are accounted for using the equity method as the SSCT has joint control of the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post acquisition changes in the SSCT's share of the net assets of the entities. The SSCT's share of the financial result of the entities is recognised in the statement of financial performance.

The SSCT's investment in its strategic partnership is detailed in Note 22.

#### g. Revaluations of Non-current Assets

Subsequent to the initial recognition as assets, land and buildings are measured at fair value. Plant and equipment and other non-current physical assets are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are assessed annually and supplemented by independent assessments, at least every three years. Revaluations are conducted in accordance with the Department of Treasury and Finance's Policy Paper, Valuation of Non-Current Physical Assets and AASB1041 Revaluation of Non-Current Assets.

# 3. Financial Statements

## Notes to the Financial Statements

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised immediately as revenue in net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets; in this occurrence they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

### h. Depreciation of Property, Plant and Equipment

Depreciation is calculated on a straight-line basis over the asset's estimated useful life to the SSCT. Assets with a cost in excess of \$500 (2004: \$300) are capitalised. The useful life of the assets has been reassessed annually and in 2004/2005 no change is considered necessary.

Major depreciation periods are:

	2005	2004
Plant and Equipment	5 - 40 years	5 - 40 years
Office Furniture	5 - 15 years	5 - 15 years
Buildings	40 years	40 years
Leasehold Improvements	40 years	40 years
Computer Equipment	3 - 5 years	3 - 5 years
Gym Equipment	5 - 10 years	5 - 10 years
Other Equipment	2 - 40 years	2 - 40 years

### i. Disposal of Property, Plant and Equipment

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the operating result of the SSCT in the year of disposal.

### j. Leased Plant and Equipment

Leases of plant and equipment under which substantially all of the risks and benefits of ownership are assumed by the SSCT are classified as finance leases. As at 30 June 2005, the SSCT did not hold any finance leases. Other leases are classified as operating leases. In accordance with AAS 17 - Accounting for Leases, payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

### k. Leasehold Improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease of the estimated useful life of the improvement to the SSCT, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over 40 years (2004: 40 years).

### l. Payables - Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the SSCT prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### m. Maintenance and Repairs

The plant of the SSCT is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(h). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

### n. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

## Notes to the Financial Statements

### o. Employee Benefits

- i. Wages, salaries and annual leave. Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at future pay rates in respect of employee services up to that date. The provisions for employee benefits for annual leave represents the amount which the SSCT has a present obligation to pay resulting from employee services provided up to balance date. The provisions have been calculated at nominal amounts based on future wage and salary rates and include related on-costs, in accordance with AASB 1028 – Employee Benefits.
- ii. Long Service Leave. SSCT employees are entitled to pro rata long service leave after completing 10 years of service. The liability for employee benefits to long service leave represents the present value for the estimated future cash outflows to be made by the employer resulting from employee services provided up to reporting date. Liabilities for employee benefits that are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities. In determining the liability for employee benefits, consideration has been given to future increase in wage and salary rates, and the SSCT's experience with staff departures. Related on-costs have also been included in the liability.
- iii. Superannuation. Contributions are made by the SSCT to an employee superannuation fund at 9% (2004: 9%) and are charged as expenses when incurred (refer to Note 16).

### p. Cash

For the purposes of the statement of cash flows, cash includes short-term deposits that are readily convertible to cash on hand and are subject to an insignificant risk of change in value.

### q. Income Tax

The SSCT is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

### r. Contributed Capital

Consistent with UIG Abstract 38 Contributions by Owners Made to Wholly-Owned Public Sector Entities, and the Financial Management Act 1994, contributions in the nature of contributions from the Crown are designated as contributed capital. (Note 12).

### s. Rounding of Amounts

Amounts in the financial report have been rounded to the nearest thousand dollars, or in other cases, to the nearest dollar.

	MSAC 2005 \$ '000	SNHC 2005 \$ '000	SSCT 2005 \$ '000	MSAC 2004 \$ '000	SNHC 2004 \$ '000	SSCT 2004 \$ '000
<b>Note 3. Revenue from ordinary activities</b>						
<b>Revenue from operating activities</b>						
Trading revenue	7,641	1,012	8,653	7,496	1,034	8,530
Sponsorship	89	323	412	138	283	421
Reimbursement of expenses	273	244	517	16	171	187
Government grants received	124	536	660	249	449	698
	<u>8,127</u>	<u>2,115</u>	<u>10,242</u>	<u>7,899</u>	<u>1,937</u>	<u>9,836</u>
<b>Revenue from outside the operating activities</b>						
Tenancy rental	492	42	534	492	37	529
Interest	452	44	496	459	36	495
Asset first recognised	0	0	0	5,938	0	5,938
Proceeds from sale of non-current assets	25	10	35	26	0	26
	<u>969</u>	<u>96</u>	<u>1,065</u>	<u>6,915</u>	<u>73</u>	<u>6,988</u>
<b>Total revenue from ordinary activities</b>	<b>9,096</b>	<b>2,211</b>	<b>11,307</b>	<b>14,814</b>	<b>2,010</b>	<b>16,824</b>

# 3. Financial Statements

## Notes to the Financial Statements

	MSAC 2005 \$ '000	SNHC 2005 \$ '000	SSCT 2005 \$ '000	MSAC 2004 \$ '000	SNHC 2004 \$ '000	SSCT 2004 \$ '000
<b>Note 4. Expenses from ordinary activities</b>						
<b>Employee benefits</b>						
Salaries and wages	3,532	453	3,985	3,433	428	3,861
Movements in leave provisions	41	9	50	(64)	2	(62)
Superannuation and others	629	46	675	606	37	643
Total employee benefits	4,202	508	4,710	3,975	467	4,442
<b>Depreciation and Amortisation</b>						
Buildings	1,568	661	2,229	1,568	661	2,229
Plant and equipment	52	87	139	41	33	74
Office furniture	44	20	64	52	20	72
Computer equipment	178	80	258	189	65	254
Gym equipment	98	4	102	87	5	92
Other equipment	93	2	95	107	0	107
Amortisation of leasehold improvements	90	44	134	56	21	77
Total depreciation and amortisation	2,123	898	3,021	2,100	805	2,905
<b>Supplies and Contracts</b>						
Energy and water expenses	835	138	973	840	150	990
Presentation expenses	1,470	367	1,837	1,378	466	1,844
Rebates to sports	350	0	350	366	0	366
Insurance and safety expenses	282	102	384	272	93	365
Other supplies	1,518	279	1,797	1,290	207	1,497
Total supplies and contracts	4,455	886	5,341	4,146	916	5,062
<b>Other Expenses from Ordinary Activities</b>						
Minimum lease payments	5	0	5	10	0	10
Carrying value of assets sold	25	36	61	51	10	61
Bad and doubtful debts - trade debtors	4	2	6	16	4	20
Total other expenses	34	38	72	77	14	91
<b>Total Expenses from Ordinary Activities</b>	<b>10,814</b>	<b>2,330</b>	<b>13,144</b>	<b>10,298</b>	<b>2,202</b>	<b>12,500</b>
<b>Net Results</b>	<b>(1,718)</b>	<b>(119)</b>	<b>(1,837)</b>	<b>4,516</b>	<b>(192)</b>	<b>4,324</b>
<b>Note 5. Cash Assets</b>						
Cash at bank and on hand	1,253	1,053	2,306	3,335	650	3,985
Short term deposits*	7,016	278	7,294	5,504	263	5,767
	8,269	1,331	9,600	8,839	913	9,752
Cash Assets include the Sports House account of \$4.927M (2004: \$4.794M). This grant received from the Department of Sport and the Commonwealth Games on 18 June 2002 (now Department for Victorian Communities) can only be used for the construction of the Sports House adjacent to the existing MSAC facilities and is part of the MSAC Stage 2 project						
*The short term deposits are bearing fixed interest rates on a one and three monthly basis between 5.60% and 5.80% (2004 : 5.34% and 5.55%)						
<b>Note 6. Receivables</b>						
Debtors	592	207	799	135	46	181
Less: Provision for doubtful debts	(8)	(2)	(10)	(4)	(1)	(5)
	584	205	789	131	45	176
Interest receivable	62	0	62	110	0	110
	646	205	851	241	45	286
<b>Note 7. Other</b>						
Accrued revenue	205	29	234	65	19	84
Prepayments	46	7	53	37	8	45



## Notes to the Financial Statements

### Note 8. Property, plant and equipment

	MSAC 2005 \$ '000	SNHC 2005 \$ '000	SSCT 2005 \$ '000	MSAC 2004 \$ '000	SNHC 2004 \$ '000	SSCT 2004 \$ '000
<b>Buildings</b>						
At market value 30/6/02 (a)	0	0	0	62,711	26,429	89,140
At market value 30/6/04 (c)	0	0	0	808	0	808
At market value 30/6/05 (d)	78,709	35,312	114,021	0	0	0
Less: Accumulated depreciation	0	0	0	(3,136)	(1,322)	(4,458)
	<u>78,709</u>	<u>35,312</u>	<u>114,021</u>	<u>60,383</u>	<u>25,107</u>	<u>85,490</u>
<b>Land</b>						
At valuation 30/06/03 (b)	0	0	0	0	6,670	6,670
At valuation 30/06/04 (c)	0	0	0	5,130	0	5,130
At valuation 30/06/05 (d)	10,287	10,162	20,449	0	0	0
	<u>10,287</u>	<u>10,162</u>	<u>20,449</u>	<u>5,130</u>	<u>6,670</u>	<u>11,800</u>
<b>Plant and Equipment</b>						
At cost	578	1,316	1,894	557	422	979
Less: Accumulated depreciation	(280)	(166)	(446)	(275)	(78)	(353)
	<u>298</u>	<u>1,150</u>	<u>1,448</u>	<u>282</u>	<u>344</u>	<u>626</u>
<b>Office Furniture</b>						
At cost	420	310	730	469	280	749
Less: Accumulated depreciation	(266)	(77)	(343)	(275)	(58)	(333)
	<u>154</u>	<u>233</u>	<u>387</u>	<u>194</u>	<u>222</u>	<u>416</u>
<b>Computer Equipment</b>						
At cost	1,032	398	1,430	1,141	320	1,461
Less: Accumulated depreciation	(435)	(293)	(728)	(444)	(213)	(657)
	<u>597</u>	<u>105</u>	<u>702</u>	<u>697</u>	<u>107</u>	<u>804</u>
<b>Gym Equipment</b>						
At cost	516	0	516	665	51	716
Less: Accumulated depreciation	(174)	0	(174)	(428)	(11)	(439)
	<u>342</u>	<u>0</u>	<u>342</u>	<u>237</u>	<u>40</u>	<u>277</u>
<b>Other Equipment</b>						
At cost	720	9	729	721	9	730
Less: Accumulated depreciation	(324)	(4)	(328)	(418)	(1)	(419)
	<u>396</u>	<u>5</u>	<u>401</u>	<u>303</u>	<u>8</u>	<u>311</u>
<b>Leasehold Improvement</b>						
At cost	1,961	816	2,777	1,726	726	2,452
Less: Accumulated amortisation	(192)	(81)	(273)	(103)	(35)	(138)
	<u>1,769</u>	<u>735</u>	<u>2,504</u>	<u>1,623</u>	<u>691</u>	<u>2,314</u>
<b>Other</b>						
in the course of construction	1,072	0	1,072	825	0	825
<b>Total Property Plant and Equipment</b>	<u>93,624</u>	<u>47,702</u>	<u>141,326</u>	<u>69,674</u>	<u>33,189</u>	<u>102,863</u>

(a) The basis of valuation is at market value, and was undertaken by Claudio Petrocco AAPI Certified Practising Valuer of Charter Keck Cramer.

(b) The valuation for 2003 is at fair value and was provided by the Valuer General as at 30 June 2003.

(c) The valuation for 2004 is at fair value and was provided by the Valuer General as at 30 June 2004.

(d) The valuation for 2005 is at fair value and was provided by the Valuer General as at 30 June 2005.

### Reconciliation of the carrying amount of property plant and equipment for the SSCT

	Carry amount start of year \$ '000	Additions \$ '000	Disposals \$ '000	Depreciation \$ '000	Revaluation Increment \$ '000	Carry amount end of year \$ '000
Land	11,800	7,925	0	0	724	20,449
Buildings	85,490	0	0	(2,229)	30,760	114,021
Plant and equipment	626	961	0	(139)	0	1,448
Office furniture	416	35	0	(64)	0	387
Computer equipment	804	156	0	(258)	0	702
Gym equipment	277	221	(54)	(102)	0	342
Other equipment	311	192	(7)	(95)	0	401
Leasehold improvements	2,314	324	0	(134)	0	2,504
In course of construction	825	247	0	0	0	1,072
	<u>102,863</u>	<u>10,061</u>	<u>(61)</u>	<u>(3,021)</u>	<u>31,484</u>	<u>141,326</u>

# 3. Financial Statements

## Notes to the Financial Statements

	MSAC 2005 \$ '000	SNHC 2005 \$ '000	SSCT 2005 \$ '000	MSAC 2004 \$ '000	SNHC 2004 \$ '000	SSCT 2004 \$ '000
<b>Note 9. Payables</b>						
Trade creditors	161	91	252	228	0	228
Other creditors	371	122	493	311	111	422
	<u>532</u>	<u>213</u>	<u>745</u>	<u>539</u>	<u>111</u>	<u>650</u>
<b>Note 10. Provisions</b>						
Current						
Employee benefits						
Annual leave	112	24	136	93	18	111
	<u>112</u>	<u>24</u>	<u>136</u>	<u>93</u>	<u>18</u>	<u>111</u>
Non Current						
Employee benefits						
Long service leave	65	8	73	44	3	47
Aggregate carrying amount of employee benefit liability	<u>177</u>	<u>32</u>	<u>209</u>	<u>137</u>	<u>21</u>	<u>158</u>
<b>Note 11. Other</b>						
Deferred revenue	265	8	273	254	3	257
<b>Note 12. Equity and Movements in Equity</b>						
(a) Contributed capital						
Balance beginning of year (1 July)	62,631	32,144	94,775	62,631	32,144	94,775
Movements during the year	8,425	800	9,225	0	0	0
Balance end of year (30 June)	<u>71,056</u>	<u>32,944</u>	<u>104,000</u>	<u>62,631</u>	<u>32,144</u>	<u>94,775</u>
(b) Accumulated surplus / (losses)						
Accumulated surplus / (loss) beginning of year (1 July)	8,003	(1,165)	6,838	3,461	(973)	2,488
Net result for current financial period	(1,720)	(119)	(1,839)	4,542	(192)	4,350
Accumulated surplus / (loss) end of year	<u>6,283</u>	<u>(1,284)</u>	<u>4,999</u>	<u>8,003</u>	<u>(1,165)</u>	<u>6,838</u>
(c) Asset revaluation reserve						
Balance beginning of year (1 July)	7,176	3,202	10,378	7,176	3,202	10,378
Increase in revaluation reserve	17,126	14,358	31,484	0	0	0
Balance end of year (30 June)	<u>24,302</u>	<u>17,560</u>	<u>41,862</u>	<u>7,176</u>	<u>3,202</u>	<u>10,378</u>
<b>Note 13. Commitments for Expenditure</b>						
(a) Operating leases						
Not later than one year	0	0	0	10	0	10
Later than 1 year but not more than 5 years	0	0	0	40	0	40
Later than five years	0	0	0	390	0	390
	<u>0</u>	<u>0</u>	<u>0</u>	<u>440</u>	<u>0</u>	<u>440</u>
During the year the SSCT became the committee of management for land previously leased						
(b) Commitments for capital expenditure						
Not later than one year	2,514	0	2,514	456	0	456
Later than 1 year but not more than 5 years	0	0	0	1,296	0	1,296
Later than five years	0	0	0	0	0	0
	<u>2,514</u>	<u>0</u>	<u>2,514</u>	<u>1,752</u>	<u>0</u>	<u>1,752</u>

The SSCT has committed \$1,714,000 to the revised scope for the MSAC Stage 2 works. This includes an agreement with ANTA (now DEST) to contribute \$636,076 for the Melbourne School of Sport and Recreation Management.

## Notes to the Financial Statements

	MSAC 2005 \$ '000	SNHC 2005 \$ '000	SSCT 2005 \$ '000	MSAC 2004 \$ '000	SNHC 2004 \$ '000	SSCT 2004 \$ '000
<b>Note 14. Reconciliation of result from ordinary activities with net cash from operations</b>						
(a) For the purpose of the statement of cash flows, cash includes:						
Cash at bank	1,248	1,051	2,299	3,330	648	3,978
Short term deposits	7,016	278	7,294	5,504	263	5,767
Cash on hand	5	2	7	5	2	7
	<u>8,269</u>	<u>1,331</u>	<u>9,600</u>	<u>8,839</u>	<u>913</u>	<u>9,752</u>
Restricted Cash:						
Grant for construction of Sports House	4,927	0	4,927	4,794	0	4,794
Grant for DVC capital works program	385	110	495	0	0	0
(b) Reconciliation of net results for the reporting period						
Operating surplus (deficit) for financial period	(1,720)	(119)	(1,839)	4,542	(192)	4,350
Non-cash items:						
Depreciation and amortisation	2,123	898	3,021	2,100	805	2,905
Asset first recognised	0	0	0	(5,938)	0	(5,938)
Provision for doubtful debts	8	2	10	4	1	5
Loss on assets sold	0	26	26	25	10	35
Share of net profits of associates	2	0	2	(26)	0	(26)
Change in current assets and liabilities during the financial year:						
Decrease /(Increase) in receivables	(405)	(160)	(565)	15	27	42
Decrease /(Increase) in other assets	(149)	(9)	(158)	(14)	23	9
(Decrease)/Increase in provisions	40	11	51	(64)	2	(62)
(Decrease)/Increase in trade creditors	(7)	102	95	(39)	(50)	(89)
(Decrease)/Increase in other liabilities	11	5	16	46	(5)	41
Net cash flow from operating activities	<u>(97)</u>	<u>756</u>	<u>659</u>	<u>651</u>	<u>621</u>	<u>1,272</u>

### Note 15. Minister and Accountable Officer

In accordance with the Directions of the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

Persons who hold the position of Responsible Persons in relation to the SSCT at any time during the reporting period were:

Responsible Minister – The Honourable Justin Madden, MP

Members of the SSCT

- Mr Brian Lowrie (Chairman)
- Ms Carmel Ackerly (from December 2004)
- Ms Elaine Canty
- Ms Sue Crow (from December 2004)
- Ms Penelope McEniry
- Mr Mark Naughton
- Mr Denis Roche (until May 2005)

Chief Executive Officer/Accountable Officer – Mr Simon Weatherill

Remuneration relating to the Minister is included in the financial statements of the Department of Premier and Cabinet.

# 3. Financial Statements

## Notes to the Financial Statements

The number of Responsible Persons whose income from the SSCT during the reporting period fall within the following bands are:

Income Band	2005	2004
\$0 - \$9,999	2	2
\$10,000 - \$19,999	4	4
\$20,000 - \$29,999	1	1
\$170,000 - \$179,999	0	1
\$180,000 - \$189,999	1	0
Total Numbers	8	8

Total remuneration received, or due and receivable by Responsible Persons

Total Amount	\$259,448	\$256,307
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### Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

### Remuneration of executives

Except for the Chief Executive Officer who is included in Remuneration of Responsible Persons, other executives who received remuneration greater than \$100,000 are:

Income Band	Total Remuneration		Base Remuneration	
	2005	2004	2005	2004
\$100,000 - \$109,999	0	0	1	0
\$110,000 - \$119,999	1	0	0	1
\$120,000 - \$129,999	0	1	0	0
Total Numbers	1	1	1	1
Total Amount	\$117,975	\$126,409	\$102,975	\$111,409

The amount for 2004 includes higher duties for a period as acting CEO

### Note 16. Superannuation

Contributions are made to the Victorian Superannuation Fund, FAI Life, and self managed superannuation funds. These contributions are based on the requirements of the Superannuation Guarantee Levy and the salary sacrifice of four employees. These funds are accumulation type funds. The SSCT had no liabilities at balance date relating to unfunded superannuation benefits.

	MSAC 2005 \$ '000	SNHC 2005 \$ '000	SSCT 2005 \$ '000	MSAC 2004 \$ '000	SNHC 2004 \$ '000	SSCT 2004 \$ '000
Contributions by employer (9%) (2004: 9%)	319	33	352	322	32	354
Superannuation contributions owing at the end of the financial year	23	4	27	22	4	26

The total number of current employees in the Victorian Superannuation Fund at 30 June 2005 was 345 (2004: 314), and in self managed superannuation funds there were 6 (2004: 5).

### Note 17. Remuneration of Auditors

Audit fees paid or payable to the Victorian Auditor General's Office for the audit of the SSCT's financial report

	SSCT 2005 \$ '000	SSCT 2004 \$ '000
Payable as at 30 June	\$33	\$33



## Notes to the Financial Statements

### Note 18. Events Occurring after Reporting Date

There has not arisen in the interval between the end of the financial year and the date of signing these financial statements, any item, transactions or event of a material and unusual nature likely to affect significantly the operations of the SSCT, the results of those operations, or the state of affairs of the SSCT, in subsequent financial years.

### Note 19. Contingent Liabilities and Assets

There were no contingent liabilities as at 30 June 2005 (2004: nil).

The SSCT has the following contingent asset.

The Victorian State Government and the Trust is investing more than \$60 million to boost the Melbourne Sports and Aquatic Centre's capacity to accommodate the needs of sports administration and to host major events, including the 2006 Commonwealth Games and 2007 FINA World Championships. Stage 2 of the Melbourne Sports and Aquatic Centre will deliver:

- a new 50 metre outdoor competition pool (permanently roofed)
- a 2000m<sup>2</sup> Sports House incorporating administration space for sporting associations and the Melbourne School of Sport and Recreation Management
- an additional pool for hydrotherapy
- more change rooms and ancillary facilities
- a multi storey car park
- a permanent 3,000 seat grandstand.

Construction is expected to be complete by the end of 2005.

The SSCT is expected to manage the MSAC Stage 2 works following formal handover from Major Projects Victoria. As the building construction is not complete and was not handed over at 30 June 2005, the amount is not quantifiable and the assets have not been bought to account.

### Note 20. Financial Instruments

#### a) Financial Instruments

The SSCT's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are as follows:

#### Recognised Financial Instruments

	Note	Accounting Policies	Terms and Conditions
<b>(i) Financial assets</b>			
Cash assets	5	For the purposes of the statement of cash flows, cash includes cash on hand and cash equivalents such as short term deposits. Short-term deposits are stated at the lower of cost and net realisable value. Interest is recognised in the profit and loss statement when earned.	Short-term deposits are a mix of 1 month, and 3 month deposits. All other cash is on call.
Receivables - Trade	6	Trade receivables are carried at nominal amounts due less any provision for Doubtful Debts. A provision for Doubtful Debts is recognised when collection of the full nominal amount is no longer probable.	Service invoices are on 14 day terms.
Interest Receivable	6	Interest received is carried at nominal amounts. Interest is recognised in the profit and loss statement when earned.	A mix of interest received on short-term deposits and cash on call.
Accrued Revenue	7	Accrued revenue represents amounts earned as revenue but not yet received on non-operating income.	
<b>(ii) Financial Liabilities</b>			
Payables	9	Liabilities are recognised for amounts to be paid in the future for goods and services received.	Trade liabilities are normally settled on 30 day terms.

# 3. Financial Statements

## Notes to the Financial Statements

### (b) Interest Rate Risk

	MSAC 2005 \$ '000	SNHC 2005 \$ '000	SSCT 2005 \$ '000	MSAC 2004 \$ '000	SNHC 2004 \$ '000	SSCT 2004 \$ '000
<b>Floating Interest Rate</b>						
(i) Financial assets						
Cash	1,248	1,051	2,299	3,330	648	3,978
Total Financial Assets	1,248	1,051	2,299	3,330	648	3,978
<b>Fixed interest rate maturing in: 1 year or less</b>						
(i) Interest Receivable	62	0	62	110	0	110
Short Term Deposits	7,016	278	7,294	5,504	263	5,767
Total Financial Assets	7,078	278	7,356	5,614	263	5,877
<b>Non Interest Bearing</b>						
(i) Financial assets						
Cash	5	2	7	5	2	7
Receivables - Trade	584	205	789	131	45	176
Accrued Revenue	205	29	234	65	19	84
Total Financial Assets	794	236	1,030	201	66	267
(ii) Financial liabilities						
Payables	532	213	745	539	111	650
Total Financial Liabilities	532	213	745	539	111	650
<b>Total carrying amount as per the statement of financial position</b>						
(i) Financial assets						
Cash	1,253	1,053	2,306	3,335	650	3,985
Receivables - Trade	584	205	789	131	45	176
Interest Receivable	62	0	62	110	0	110
Short Term Deposits	7,016	278	7,294	5,504	263	5,767
Accrued Revenue	205	29	234	65	19	84
Total Financial Assets	9,120	1,565	10,685	9,145	977	10,122
(ii) Financial liabilities						
Payables	532	213	745	539	111	650
Total Financial Liabilities	532	213	745	539	111	650
<b>Weighted average effective interest rate</b>						
(i) Financial assets						
Cash	5%	5%		5%	5%	
Receivables - Trade	N/A	N/A		N/A	N/A	
Short Term Deposits	6%	6%		5%	5%	
Other	N/A	N/A		N/A	N/A	
(ii) Financial liabilities						
Payables	N/A	N/A		N/A	N/A	

## Notes to the Financial Statements

### (c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date, are as follows:

	MSAC 2005 \$ '000	SNHC 2005 \$ '000	SSCT 2005 \$ '000	MSAC 2004 \$ '000	SNHC 2004 \$ '000	SSCT 2004 \$ '000
Total carrying amount as per the Statement of Financial Position						
(i) Financial assets						
Cash	1,253	1,053	2,306	3,335	650	3,985
Receivables	646	205	851	241	45	286
Short Term Deposits	7,016	278	7,294	5,504	263	5,767
Accrued Revenue	205	29	234	65	19	84
Total Financial Assets	9,120	1,565	10,685	9,145	977	10,122
(ii) Financial liabilities						
Payables	532	213	745	539	111	650
Total Financial Liabilities	532	213	745	539	111	650

#### Aggregate net fair value

(i) Financial assets						
Cash	1,253	1,053	2,306	3,335	650	3,985
Receivables	646	205	851	241	45	286
Short Term Deposits	7,016	278	7,294	5,504	263	5,767
Accrued Revenue	205	29	234	65	19	84
Total Financial Assets	9,120	1,565	10,685	9,145	977	10,122
(ii) Financial liabilities						
Payables	532	213	745	539	111	650
Total Financial Liabilities	532	213	745	539	111	650

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:  
Cash, cash equivalents and short term investments: the carrying amount approximates fair value.

### (d) Credit risk exposure

The SSCT's exposure to credit risk at balance date in relation to each class of recognised financial asset is generally the maximum carrying amount, net of any provision for doubtful debts.

### (e) Hedging instruments

The SSCT has not purchased any hedging instruments during the reporting period.

# 3. Financial Statements

## Notes to the Financial Statements

### Note 21. Impacts of adopting AASB equivalents IASB standards

Following the adoption of Australian equivalents to International Financial Reporting Standards (A-IFRS), the Trust will report for the first time in compliance with A-IFRS when results for the financial year ended 30 June 2006 are released.

It should be noted that under A-IFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. The Department of Treasury and Finance has ruled that the Trust is a not-for-profit entity. Consequently, where appropriate, the Trust applies those paragraphs in accounting standards applicable to not-for-profit entities.

An A-IFRS compliant financial report will comprise a new statement of changes in equity in addition to the three existing financial statements, which will all be renamed. The Statement of Financial Performance will be renamed as the Operating Statement, the Statement of Financial Position will revert to its previous title as the Balance Sheet and the Statement of Cash Flows will be simplified as the Cash Flow Statement. However, for the purpose of disclosing the impact of adopting A-IFRS in the 2004-05 financial report, which is prepared under existing accounting standards, existing titles and terminologies will be retained.

With certain exceptions, an entity that has adopted A-IFRS must record transactions that are reported in the financial report as though A-IFRS had always applied. This requirement also extends to any comparative information included within the financial report. Most accounting policy adjustments to apply A-IFRS retrospectively will be made against accumulated funds at the 1 July 2004 opening balance sheet date for the comparative period. The exceptions include deferral until 1 July 2005 of the application and adjustments for:

- AASB 132 Financial Instruments: Disclosure and Presentation; and
- AASB 139 Financial Instruments: Recognition and Measurement.

The comparative information for transactions affected by these standards will be accounted for in accordance with existing accounting standards.

The Trust has taken the following steps in managing the transition to A-IFRS and has achieved the following scheduled milestones:

- Established a project committee to oversee the transition to and implementation of the A-IFRS;
- Established an A-IFRS project team to review the new accounting standards to identify key issues and the likely impacts resulting from the adoption of A-IFRS and any relevant Financial Reporting Directions as issued by the Minister for Finance;
- Participated in an education and training process to raise awareness of the changes in reporting requirements and the processes to be undertaken; and
- Initiated reconfiguration and testing of user systems and processes to meet new requirements.

This financial report has been prepared in accordance with current Australian accounting standards and other financial reporting requirements (Australian GAAP). A number of differences between Australian GAAP and A-IFRS have been identified as potentially having a material impact on the Trust's financial position and financial performance following the adoption of A-IFRS. The following tables outline the estimated significant impacts on the financial position of the Trust as at 30 June 2005 and the likely impact on the current year result had the financial statements been prepared using A-IFRS.

The estimates disclosed below are the Trust's best estimates of the significant quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to A-IFRS may differ from the estimates disclosed due to:

- a) change in facts and circumstances;
- b) ongoing work being undertaken by the A-IFRS project team;
- c) potential amendments to A-IFRS and Interpretations; and
- d) emerging accepted practice in the interpretation and application of A-IFRS and UIG Interpretations.

## Notes to the Financial Statements

	Notes	SSCT 2005 \$ '000
<b>Reconciliation of net profit</b>		
Net Profit (AGAAP)		(1,839)
Revenue from ordinary activities changes		0
Expenses from ordinary activities changes	a	(2)
Net Profit (A-IFRS)		<u>(1,841)</u>
<b>Reconciliation of net assets</b>		
Net Assets (AGAAP)		150,861
Cash asset changes		0
Receivables changes		0
Prepayments changes		0
Accrued revenue changes		0
Property, plant and equipment changes		0
Investments in associates changes		0
Payables changes		
Provisions changes	a	(34)
Other changes		0
Net Assets (A-IFRS)		<u>150,827</u>
<b>Reconciliation of equity</b>		
Total equity (AGAAP)		150,861
Contributed equity changes		0
Reserves changes		0
Retained surpluses changes	a	(34)
Total equity (A-IFRS)		<u>150,827</u>

### Explanatory Notes

#### a) Provisions

The adoption of A-IFRS increased the value of provisions and decreased retained surplus by \$34,000 (\$2,000 in 2005).

This amount relates to the present value for estimated future services.



# 3. Financial Statements

## Notes to the Financial Statements

### Note 22. Investment in strategic partnership

#### Background

The SSCT and the TAFE Division of the Victorian University (VU) have entered into a Memorandum of Understanding (MOU) on 10 April 2003 to form a strategic partnership. The SSCT has a 50% interest in the investment. The governing body of this strategic partnership is the Melbourne School of Recreation and Management (MSSRM) School Management Board. The key objectives of the MSSRM are:

- To develop a suite of professional training programs for the sport and recreation industry
- To develop an international Masters in Sport Management program
- To establish an international summer school of sport management
- To provide advice to the SSCT in preparing a submission to DEST for fit out and capital works within the school area.

MSSRM School Management Board acts as a conduit between the SSCT and VU, and as such, it is a forum for foreshadowing and discussing strategic directions and forthcoming activities which are likely to influence the SSCT and VU, and policy and administration matters which may impact upon the MSSRM.

### Note 22 (a) Investments in Associates

	2004 \$'000	2003 \$'000
(a) SSCT share of accumulated surplus / (losses)		
Share at start of year	26	0
Reported profit (loss) for year	(2)	26
Share at end of the year	24	26
(b) SSCT share of reserves		
Share at start of year	0	0
Reported profit (loss) for year	0	0
Share at end of the year	0	0
(c) SSCT share of carrying value of investment		
Share at start of year	26	0
Reported profit (loss) for year	(2)	26
Share at end of the year	24	26

### Note 22 (b) SSCT share of commitments for expenditure

As at 30 June 2005 the SSCT did not have any commitments for expenditure in relation to their share of investments in Associates (2004: nil).

## Notes to the Financial Statements

### Accountable officers and members declaration

In the opinion of the members and the Chief Executive Officer of the State Sport Centres Trust:

- a. The financial statements present fairly the financial transactions during the financial year ended 30 June 2005 and the financial position as at 30 June 2005;
- b. The financial statements are drawn up in accordance with Australian Accounting Standards and other mandatory reporting requirements (Urgent Issues Group Consensus Views) and the Financial Management Act 1994; and
- c. There are no circumstances at the date of signing which would render any particulars in the financial statements to be misleading or inaccurate.

Dated at Melbourne on 22 September 2005

Signed in accordance with a resolution of the Trust



Brian J Lowrie

Chairman - State Sport Centres Trust

(on behalf of the Trust)



Simon Weatherill

Chief Executive Officer and Accountable Officer - State Sport Centres Trust



## AUDITOR GENERAL VICTORIA

### INDEPENDENT AUDIT REPORT

#### State Sport Centres Trust

**To the Members of the Parliament of Victoria and Members of the Board of the Trust**

#### **Matters Relating to the Electronic Presentation of the Audited Financial Report**

This audit report for the financial year ended 30 June 2005 relates to the financial report of State Sport Centres Trust included on its web site. The Members of the Board of State Sport Centres Trust are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

#### **Scope**

##### *The Financial Report*

The accompanying financial report for the year ended 30 June 2005 of State Sport Centres Trust consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report, and the supporting declaration.

##### *Members' Responsibility*

The Members of the Board of State Sport Centres Trust are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

##### *Audit Approach*

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.



AUDITOR GENERAL  
VICTORIA

**Independent Audit Report (continued)**

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Trust's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Independence**

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

**Audit Opinion**

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of State Sport Centres Trust as at 30 June 2005 and its financial performance and cash flows for the year then ended.

MELBOURNE  
22 September 2005



JW CAMERON  
Auditor-General

# Whistleblowers Protection Act 2001

## 1. Statement of Support

1.1 The State Sport Centres Trust is committed to the aims and objectives of the Whistleblowers Protection Act 2001 (the Act). It does not tolerate improper conduct by its employees, nor the taking of reprisals against those who come forward to disclose such conduct.

1.2 The State Sport Centres Trust recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. It will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. The State Sport Centres Trust will also provide natural justice to the person who is the subject of the disclosure.

1.3. These procedures establish a system for reporting disclosures of improper conduct or detrimental action by the State Sport Centres Trust or its employees. The system enables such disclosures to be made to the protected disclosure coordinator. Disclosures may be made by employees or by members of the public.

These procedures are designed to complement normal communication channels between managers and employees. Employees are encouraged to continue to raise appropriate matters at any time with their managers. As an alternative, employees may make a disclosure of improper conduct or detrimental action under the Act in accordance with these procedures.

1.4 The State Sport Centres Trust will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower.

## 2. Procedure

2.1 Disclosures of improper conduct or detrimental action by the State Sport Centres Trust or its employees, may be made to the protected disclosure coordinator:

Mr Warren Green  
Centre Manager  
Box 1 Aughtie Drive  
Albert Park Victoria 3206  
Email: warreng@msac.com.au  
Tel: 9926 1501

All correspondence, phone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator.

Where a person is contemplating making a disclosure and is concerned about approaching the protected disclosure coordinator in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

A disclosure about improper conduct or detrimental action by the State Sport Centres Trust or its employees, may also be made directly to the Ombudsman:

The Ombudsman Victoria  
Level 22, 459 Collins Street  
Melbourne Victoria 3000  
(DX 210174)  
Internet: <http://www.ombudsman.vic.gov.au>  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)  
Tel: 9613 6222  
Toll Free: 1800 806 314  
Ombudsman: Mr George Brouwer Tel: (03) 9613 6202

The table below sets out where disclosures about persons other than employees of the State Services Authority should be made.

Person who is the subject of the disclosure	Person/body to whom the disclosure must be made
Employee of a public body	That public body or the Ombudsman
Member of Parliament (Legislative Assembly)	Speaker of the Legislative Assembly
Member of Parliament (Legislative Council)	President of the Legislative Council
Councillor	The Ombudsman
Chief Commissioner of Police	The Ombudsman or Deputy Ombudsman
Member of the police force	The Ombudsman, Deputy Ombudsman or Chief Commissioner of Police

2.2 Where the protected disclosure coordinator has received a disclosure, he or she will assess whether it has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

2.3 For the State Sport Centres Trust to respond to a disclosure, it must concern one or more of its employees. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed. (Refer Table 1). If the disclosure has been made anonymously, it should be referred to the Ombudsman.

2.4 Where a disclosure is assessed to be a protected disclosure, it is referred to the protected disclosure coordinator. The protected disclosure coordinator will determine whether the disclosure is a public interest disclosure.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The protected disclosure coordinator will decide how the matter should be responded to.

2.5 Where the protected disclosure coordinator has received a disclosure that has been assessed to be a protected disclosure, he or she will determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the receipt of the disclosure.

Where the protected disclosure coordinator concludes that the disclosure amounts to a public interest disclosure, he or she will:

- Notify the person who made the disclosure of that conclusion; and
- Refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a public interest disclosure.

Where the protected disclosure coordinator concludes that the disclosure is not a public interest disclosure, he or she will:

- Notify the person who made the disclosure of that conclusion; and
- Advise that person that he or she may request the public body to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a public interest disclosure, and that this request must be made within 28 days of the notification.

In either case, the protected disclosure coordinator will make the notification and the referral within 14 days of the conclusion being reached by the public body. Notification to the whistleblower is not necessary where the disclosure has been made anonymously.

2.6 Where the Ombudsman refers a protected disclosure to the State Sport Centres Trust for investigation, the protected disclosure coordinator will appoint an investigator to carry out the investigation.

2.7 Before commencing an investigation, the protected disclosure coordinator will draw up terms of reference and obtain authorisation for those terms by the Chief Executive Officer. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The protected disclosure coordinator may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the protected disclosure coordinator who, in turn, is to keep the Ombudsman informed of general progress.

2.8 The principles of natural justice will be followed in any investigation of a public interest disclosure. The principles of natural justice concern procedural fairness and ensure a fair decision is reached by an objective decision-maker.

2.9 The protected disclosure coordinator will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:

- The investigation is being obstructed by, for example, the non-cooperation of key witnesses; or
- The investigation has revealed conduct that may constitute a criminal offence.

2.10 The protected disclosure coordinator will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation.

The protected disclosure coordinator will report to the Ombudsman about the progress of an investigation.

Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

2.11 If the protected disclosure coordinator is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the Chief Executive Officer the action that must be taken to prevent the conduct from continuing or occurring in the future. The protected disclosure coordinator may also recommend that action be taken to remedy any harm or loss arising from the conduct. The protected disclosure coordinator will provide a written report to Premier Steve Bracks, the Ombudsman and the whistleblower setting out the findings of the investigation and any remedial steps taken. Where the investigation concludes that the disclosed conduct did not occur, the protected disclosure coordinator will report these findings to the Ombudsman and to the whistleblower.

2.12 The State Sport Centres Trust is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures. The protected disclosure coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made. The protected disclosure coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure.

2.13 If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the welfare manager will:

- Record details of the incident;
- Advise the whistleblower of his or her rights under the Act; and
- Advise the protected disclosure coordinator or the Commissioner for Public Employment of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the protected disclosure coordinator will assess the report as a new disclosure under the Act. Where the protected disclosure coordinator is satisfied that the disclosure is a public interest disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a public interest disclosure, the Ombudsman may investigate the matter or refer it to another body for investigation as outlined in the Act.

2.14 Where a person who makes a disclosure is implicated in misconduct, the State Sport Centres Trust will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures. The State Sport Centres Trust acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct.

2.15 The State Sport Centres Trust recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures. The State Sport Centres Trust will take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation, and the identity of the person who is the subject of the disclosure will remain confidential.

### 3. Responsibilities

3.1 All employees of the State Sport Centres Trust are responsible for:

- Employees are encouraged to report known or suspected incidences of improper conduct or detrimental action in accordance with these procedures.
- All employees of the State Sport Centres Trust have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure. Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

3.2 The Protected Disclosure Coordinator (Centre Manager) is responsible for:

- Being a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action;
- Receiving all phone calls, emails and letters from members of the public or employees seeking to make a disclosure;
- Making arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace;
- Committing to writing any disclosure made orally;

- Impartially assessing each disclosure to determine whether it is a public interest disclosure made in accordance with Part 2 of the Act;

- Referring all public interest disclosures to the Ombudsman;

- Being responsible for appointing an investigator to carry out an investigation referred to the State Sport Centres Trust by the Ombudsman;

- Being responsible for overseeing and coordinating an investigation;

- Appointing a welfare manager to support the whistleblower and protecting him or her from any reprisals;

- Advising the whistleblower of the progress of an investigation into the disclosed matter;

- Establishing and managing a confidential filing system;

- Collating and publishing statistics on disclosures made;

- Taking all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and

- Liaising with the Commissioner for Public Employment.

3.3 The Investigator will be responsible for:

- Carrying out an internal investigation into a disclosure where the Ombudsman has referred a matter to the State Sport Centres Trust. An investigator will be a consultant engaged for that purpose.

3.4 The Welfare Manager (Human Resource Coordinator) will be responsible for:

- Examining the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seeking to foster a supportive work environment;

- Advising the whistleblower of the legislative and administrative protections available to him or her;

- Listening and responding to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure;

- Keeping a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow-up action; and

- Ensuring the expectations of the whistleblower are realistic.

## 4. Definitions

### Improper conduct means-

A disclosure may be made about improper conduct by a public body or public official. Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

### Corrupt conduct means -

- Conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer's or public body's functions;

- The performance of a public officer's functions dishonestly or with inappropriate partiality;

- Conduct of a public officer, former public officer or a public body that amounts to a breach of public trust;

- Conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions; or

- A conspiracy or attempt to engage in the above conduct.

### Detrimental action -

The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure. Detrimental action includes:

- Action causing injury, loss or damage;

- Intimidation or harassment; and

- Discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action.

## 5. For More Information

Whistleblowers Protection Act 2001

Guidelines For Disclosures under the Whistleblowers Protection Act 2001 - State Services Authority





STATE  
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TRUST

2005

MELBOURNE SPORTS AND AQUATIC CENTRE  
MELBOURNE SCHOOL OF SPORT AND RECREATION MANAGEMENT  
STATE NETBALL HOCKEY CENTRE