



**Professional
Combat Sports
Commission**

**2004 - 2005
Annual Report**

Minister for Sport and Recreation

Hon Mark McGowan MLA
Minister for Sport and Recreation

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament the annual report for the Professional Combat Sports Commission for the period 1 July 2004 to 30 June 2005.

The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.



Simon Watters
Chairman



Colin Brown
Member

Professional Combat Sports Commission
246 Vincent Street
Leederville WA 6903

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Summary of Highlights

1. The Boxing Control Act 1987 was amended and proclaimed on 11 January 2005 to include prescribed professional martial art contests in the Professional Combat Sports Act 1987. Prescribed sports added to boxing are:
 - Kickboxing
 - Muay Thai
 - Brazilian Jiu Jitsu
 - Full Contact Karate
 - Ultimate Fighting.
2. Membership of the commission increased by two members to eight members with appointment of commissioners representing combat sports other than boxing.
3. Consultations conducted with the combat sports industry on the amendments to the *Boxing Control Act 1987* to introduce regulations of martial arts sports.
4. Registration procedures and practises were reviewed and changed to improve the quality of information available to registrants.
5. Contestants and industry participants are now issued with a plastic registration card bearing their photograph. The card will substantially eliminate the possibility of substitution of a person for the registered person.
6. Weigh-in activities were centralised to the offices of the Department of Sport and Recreation in Leederville. Scales were purchased and through connection to a computer and digital projector can project the weight of the contestant on a screen as the weight is declared. Past unscrupulous practises associated with weigh-ins have been eliminated.
7. Information provided to the medical practitioner conducting pre-contest and post-contest medical examinations has been upgraded to ensure that the best available information held by the commission is available for scrutiny at the examination.
8. A group of Kickboxing and Muay Thai trainers worked with the commission on the preparation of a set of rules for the conduct of these sports in Western Australia. The commission in June 2005 adopted the 'Western Australian Standard Muay Thai and Kickboxing Rules' as the rules of the commission. The authority of the commission does not extend to application of the rules outside of professional contests however there are indications that the rules will voluntarily be adopted for amateur contests.
9. Work has progressed on the national database for Combat Sport being prepared by Sport and Recreation Victoria for the combat sport jurisdictions of New South Wales, Victoria, South Australia and Western Australia. The database will provide an on-line viewing and up-dating record management process for all contestants and industry participants registered with these jurisdictions.
10. The number of promotions held in Western Australia doubled to six in 2004-05 compared to three in 2003-04.

Corporate Overview

The Professional Combat Sports Commission is committed to developing a safe professional combat sports industry in Western Australia that is easily accessible, encourages maximum participation and develops talent.

Responsible Minister

The Professional Combat Sports Commission reports to the Hon Bob Kucera APM JP MLA in his capacity as Minister for Sport and Recreation.

Commissioners

Following proclamation of the *Professional Combat Sports Act 1987* on 11 January 2005 two additional commissioners were appointed by the Minister for Sport and Recreation to bring the commission to full membership. The new commissioners filled the positions prescribed in the Act to represent combat sports other than boxing.

The nominee of the Commissioner of Police was replaced in May 2005. The contribution of Police Assistant Commissioner Ian Johnson during his time with the commission was outstanding. He made a significant contribution to the way the commission now case-manages its business.

Mr Simon Watters	Chairman
Dr Richard Choong	Nominee of the Australian Medical Association
Assistant Commissioner Ian Johnson	Nominee of the Commissioner of Police to 9 May 2005
Assistant Commissioner Barbara Etter	Nominee of the Commissioner of Police from 9 May 2005
Mr Greg McLennan	Nominee of the Director General of the Department of Sport and Recreation to 21 January 2005
Mr Colin Brown	Nominee of the Director General of the Department of Sport and Recreation from 21 January 2005
Ms Margaret Sherlock	Representative of persons who are or who have been registered as contestants in a class other than a class relevant to boxing
Ms Annette Backshall	Representative of persons who are or who have been registered as contestants in a class relevant to boxing
Mr Kevin Junior	A person with knowledge of the industry relating to combat sports other than boxing
Mr John Fanderlinden	A person with knowledge of the boxing industry

Mission

The mission of the Professional Combat Sports Commission is to improve all aspects of safety and organisation of professional combat sports in Western Australia.

Objectives of the Commission are to:

- Develop guidelines for proper standards in professional combat sports;
- Establish standards for the training of persons involved in professional combat sports;
- Provide protection for all those involved in professional combat sports;
- Ensure the physical safety of professional contestants; and
- Advise the Minister for Sport and Recreation on professional combat sport matters.

Vision

The vision of the commission is continued improvement in the monitoring of the health and safety of professional contestants and officials at contests through:

- Detection of diseases passed on by contact with body fluids;
- Presence of required medical equipment and staff at contests;
- Pre and post medical examinations;
- Protection of professional contestants and officials through stringent medical requirements for registration;
- Requiring serology and general medical certificates;
- Improvement in the efficiency and administration of professional combat sports promotions; and
- Appropriateness of venues.

How the Commission Operates

- Provision of statewide leadership and coordination to the professional combat sports industry;
- Establishes partnerships within the industry, across government and with other stakeholders;
- Involves clients in all aspects of service planning and delivery; and
- Provision of consultancy services to individuals and organisations delivering professional combat sports.

Enabling Legislation

The Professional Combat Sports Commission is established as a statutory authority under Section 4 of the *Professional Combat Sports Act 1987*.

Legislation Impacting on the Activities of the Commission

In performance of its functions the Professional Combat Sports Commission complies with the following legislation:

- *Equal Opportunity Act 1984*
- *Disability Services Act 1993*

- *Financial Administration and Audit Act 1985*
- *Salaries and Allowances Act 1975*
- *State Supply Commission Act 1991*
- *State Records Act 2000.*
- *Freedom of Information Act 1992*
- *Government Employees Superannuation Act 1987*
- *Occupational Health and Safety Act 1984*
- *Workers' Compensation and Rehabilitation Act 1981 (as amended Workers' Compensation and Rehabilitation Amendment Act 1993).*
- *Public Interest Disclosure Act 2003*

Chairman's Report

Proclamation of amendments to the *Professional Combat Sports Act 1987* on 11 January 2005 brought about the biggest change to professional combat sports in Western Australia since the Act was first proclaimed to regulate professional boxing. The Act now regulates professional participation in:

- Boxing
- Kickboxing
- Muay Thai
- Brazilian Jiu Jitsu
- Full Contact Karate
- Ultimate Fighting.

Two consultations were held with the combat sports industry to explain the impact of regulation of the industry and to receive feedback on issues and concerns to the martial arts segment of the industry. Attendance at the consultations was not as great as the commission had expected but did receive the support of many of the trainers and promoters in the Kickboxing and Muay Thai sports.

Industry participants in the main welcomed regulation because of the benefits it provides for increased safety and health management in contests and for contestants. Some people resisted being registered because of the cost of registration. Few people in the professional combat sport industry can achieve a viable income from their involvement with the consequence that they consider the cost to be unwelcome. Fees to register with the commission are minimal in commercial terms.

Registration uptake among the newly prescribed sports has been poor but is expected to improve in the new registration year commencing 1 July 2005.

Clearly separating professional from amateur participation in the newly prescribed sports has been difficult. Boxing by comparison is clearly differentiated by rules as well as having a governing body for amateur boxing.

An interesting outcome of regulation of martial arts is the propensity of promoters to conduct a card of mixed fights. Previously promoters were reluctant to include professional boxing on kickboxing promotions. Should this trend continue a greater percentage of promotion cards could feature a mix of boxing with martial arts based ring sports.

In readiness for registration of the newly prescribed sports the commission reviewed its registration process and practises. Changes implemented as an outcome of the review are:

- Registration forms were re-designed to accommodate all prescribed sports.
- Forms used by the commission can be downloaded from the Internet thereby improving access to essential information and documents.
- Conditions of registration removed from the *Professional Combat Sports Regulations 2004* are now published in booklet form and are given to each person as they register in a category and class with the commission.
- Issuing of registration cards in the form of credit card sized plastic cards bearing the photograph of the holder.

- Electronic storage of sensitive and personal information on a computer protected by encryption. Access is limited to the staff of the commission.
- A new 'Contestant Medical and Contest Record Book' designed to fit in the bearer's pocket, which is slimmer, has a soft cover and is attractive to the contestant for maintaining a career record.
- Writing and publishing of the 'Western Australian Professional Combat Sports Handbook' for distribution to participants in professional combat sports to provide information on the commission and regulation of the industry.

The combat sport industry in Western Australia now has access to quality information to support promoters, trainers and contestants to ensure that they safely function in the industry.

Information provided to the medical practitioner conducting pre-contest and post-contest medical examinations has been upgraded to ensure that the best available information held by the commission is available for scrutiny at the examination.

A group of Kickboxing and Muay Thai trainers worked with the commission on the preparation of a set of rules for the conduct of these sports in Western Australia. The commission in June 2005 adopted the 'Western Australian Standard Muay Thai and Kickboxing Rules' as the rules of the commission. The authority of the commission does not extend to application of the rules outside of professional contests however there are indications that the rules will voluntarily be adopted for amateur contests.

Commissioners and the Executive Officer of the Commission have attended every professional combat sport contest held in Western Australia. Attendance involved supervision of the official weigh-in and pre-contest medical examination for contestants, and attendance at ringside for contests and then attending the post-contest medical examination for contestants.

Progressive tightening of controls for the conduct of weigh-in and promotion events is improving the performance of promoters in matching of contestants and in risk management. The beneficiaries in the longer term will be the contestants.

Problems previously experienced due to weigh-in venues being inadequate for the purpose has been overcome by the commission purchasing its own scales and moving to conduct weigh-ins at the office of the Department of Sport and Recreation. The facilities in the new offices of the department located in Leederville afford a central location in an attractive and well appointed building.

Use of the department offices made possible the introduction of an innovation in management of the weigh-in that is possibly not used elsewhere in Australia. Electronic scales have been linked through a computer to a digital projector so that as a contestant's weight is declared it is projected on a screen for public viewing. This is a significant improvement due to being able to exclude all people other than the boxer being weighed from a two metre diameter circle around the scales. Potential for abuse through devious behaviour has been eliminated.

The South Australian Office for Sport and Recreation has conducted ring sport medical practitioner seminars to increase the knowledge and understanding of medical practitioners on combat sport injury prevention. The commission is working to identify those medical practitioners in Western Australia who want to receive information on combat sports so that they can effectively work with the

combat sport industry at ringside and in contestant fitness assessment. The commission has identified preparing medical practitioners to work in the combat sports industry as a worthwhile risk management strategy.

An example of the need for vigilance on the part of medical practitioners and the commission occurred during the year with one applicant for registration as a contestant being refused registration on the grounds of being the carrier of an infectious disease. The applicant was not aware that he was a carrier. Identification was made during a medical examination for a Certificate of Fitness.

Work has progressed slowly on the harmonised national database for Combat Sport being prepared by Sport and Recreation Victoria for the combat sport jurisdictions of New South Wales, Victoria, South Australia and Western Australia. The database will provide an on-line viewing and up-dating record management process for all contestants and industry participants registered with these jurisdictions. A trial version of the database was tested in May 2005. The database may be ready for operational use in August 2005.

Extensive work has been completed on policy development during the year. The commission has adopted policies on:

- Commissioner and staff Conflict of Interest
- Promotion Permit Fee
- Management of Commission Responsibilities

A policy on Risk Management is being prepared.

The commission has prepared and adopted the working documents:

- Business Plan 2005 to 2007
- Strategy Plan 2005-2007

The first six months of administering the Professional Combat Sports Act 1987 has highlighted the need to improve the management of the Amateur competition associated with the newly prescribed classes. The Commission is currently in discussions with the Department of Sport and Recreation on how it can best assist in this area.

It is the practise of the commission to support and work with the professional combat sports industry in achieving the responsibilities implicit in the *Professional Combat Sports Act 1987*. Through this process the commission has satisfactorily resolved all instances of potential breaches of the Act and has achieved improved compliance in the professional combat sport industry. It is pleasing to achieve this outcome without recourse to disciplinary action.

During the period under review the commission has been subjected to a substantial educational process due to the expansion of responsibilities to include martial arts in the Act. Commissioners and the Executive Officer have attended a number of amateur kickboxing, Muay Thai and mixed martial arts promotions to familiarise themselves with the sports and industry conditions and practises. Knowledge gained has been of immense value in guiding the work of the commission.

The annual general meeting of the Australian National Boxing Federation was attended by myself and the Executive Officer to both be acquainted with trends and development of professional boxing in Australia and to inform the Federation on the actions of the commission in managing the sport in Western Australia.

Two meetings of the National Working Party on Combat Sports were attended by the Executive Officer. Of significance is the progress made on development and implementation of the national database for Combat Sport. When fully operational the database will facilitate on-line access to data on contestants and industry participants held by each of the state jurisdictions.

I am pleased to be able to report that the Professional Combat Sports Commission has diligently performed its responsibilities during the period under review and has made considerable progress in reducing risk exposure in the professional combat sport industry. The commission is also having a positive impact on amateur combat sports as a flow on effect from activities in the professional combat sport industry.

The commission is fortunate to have had the service of the commissioners who served during the year. The level of skill and knowledge brought by the commissioners coupled with their dedication to the work of the commission has been exceptional. I acknowledge their contribution with appreciation.

Simon Watters, Barrister at Law
Chairman

Meeting the Government's Strategic Outcomes

The Professional Combat Sports Commission's strategic intent is to ensure its alignment with strategic outcomes identified in the Government's Strategic Planning Framework - Better Planning: Better Services document.

Specific contributions are detailed in the following table.

Goal	Commission Contribution to Strategic Outcomes
People and Communities	<ul style="list-style-type: none"> Monitoring the health and safety of professional contestants and officials at contests. Development of guidelines for proper standards in professional combat sports. Creating a professional sport industry that is safe for youth 18 to 25 years of age. Encouraging promoters of professional combat sports events to provide a family friendly activity. Improved access to promotions by people with disabilities. Supporting the initiatives of the Department of Sport and Recreation on People and Communities.
The Economy	<ul style="list-style-type: none"> Assisting promoters to conduct events involving interstate and international contestants and officials. Supporting the initiatives of the Department of Sport and Recreation on the economy.
The Environment	<ul style="list-style-type: none"> Supporting the initiatives of the Department of Sport and Recreation on the environment.
The Regions	<ul style="list-style-type: none"> Encouraging people in regions to participate in professional combat sports as officials. Supporting the initiatives of the Department of Sport and Recreation on regions.
Governance	<ul style="list-style-type: none"> Sound financial management, including unqualified audited financial statements. Supporting the initiatives of the Department of Sport and Recreation on Governance.

Corporate Legislation and Compliance

- No Freedom of Information applications were received.
- Publications produced by the commission available to the public are the:
 - Professional Combat Sports Act 1987
 - Professional Combat Sports Act Regulations 1990
 - Professional Combat Sports Amendment Act 2004
 - Western Australian Professional Combat Sports Handbook
 - Annual Report 2003-2004
- No ministerial directives were received during the year.
- The commission has discretion to charge for rendered services and goods subject to ministerial approval.
- In compliance with Principle 6 of the State Records Act 2000 the Professional Combat Sports Commission is required to report on its compliance with the Act. The Professional Combat Sports Commission has a Recordkeeping Plan approved by the State Records Advisory Committee (SRAC).
- As part of the requirements for the recordkeeping plan the Department of Sport and Recreation conducts record keeping training for staff. Each induction program addresses the roles and responsibilities of the employees in regard to compliance with the Recordkeeping Plan.
- In compliance with section 175ZE of the Electoral Act 1907, the Professional Combat Sports Commission is required to report on its compliance with the Act. The Professional Combat Sports Commission report on expenditure with:

Advertising Agencies	\$2594
Market Research Agencies	\$0
Polling Agencies	\$0
Direct Mail Agencies	\$0
Media Advertising Agencies	\$0
TOTAL EXPENDITURE	\$2594

Major Partners of the Commission

- Peak industry organisations
- Sport and recreation service agencies, e.g. medical practitioners
- State departments, e.g. Sport and Recreation and Police
- Boxing and combat sport authorities in New South Wales, Victoria and South Australia
- Non-government organisations, e.g. Australian Medical Association WA Branch

PROFESSIONAL COMBAT SPORTS COMMISSION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

PROFESSIONAL COMBAT SPORTS COMMISSION FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion,

- (i) the controls exercised by the Professional Combat Sports Commission provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

Scope

The Commission's Role

The Commission is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.


An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON
AUDITOR GENERAL
27 September 2005


CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

The accompanying financial statements of the Professional Combat Sports Commission have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2005 and the financial position as at 30 June 2005.


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



Principal Accounting Officer
Jenny Ough
19 August 2005



Member
Colin Brown
19 August 2005



Chairman
Simon Watters
19 August 2005

**PROFESSIONAL COMBAT SPORTS COMMISSION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2004/05	2003/04
		\$	\$
COST OF SERVICES			
Expenses from ordinary activities			
Members' remuneration	2	15,565	10,188
Supplies and services	3	47,062	16,502
Depreciation expense	4	505	-
Total cost of services		63,132	26,690
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
User charges and fees	5	2,110	890
Total revenues from ordinary activities		2,110	890
NET COST OF SERVICES		61,022	25,800
REVENUES FROM STATE GOVERNMENT			
Grants	6	48,000	22,000
Resources received free of charge	6	8,055	7,105
Total revenues from State Government		56,055	29,105
CHANGE IN NET ASSETS		(4,967)	3,305
Total changes in equity other than those resulting from transactions with WA State Government as owners		(4,967)	3,305

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

**PROFESSIONAL COMBAT SPORTS COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005**

	Note	2004/05	2003/04 \$
Current Assets			
Cash assets	11 (a)	27,023	69,630
Receivables	7	44,000	-
Total Current Assets		71,023	69,630
Non-Current Assets			
Plant and equipment	8	9,228	-
Total Non-Current Assets		9,228	-
Total Assets		80,251	69,630
Current Liabilities			
Payables	9	22,000	6,412
Total Current Liabilities		22,000	6,412
Total Liabilities		22,000	6,412
NET ASSETS		58,251	63,218
Equity			
Accumulated surplus	10	58,251	63,218
TOTAL EQUITY		58,251	63,218

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

**PROFESSIONAL COMBAT SPORTS COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2004/05 \$	2003/04 \$
CASH FLOWS FROM STATE GOVERNMENT			
Grants		4,000	22,000
Net cash provided by State Government		4,000	22,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Members' sitting fees		(17,976)	(15,165)
Supplies and services		(21,008)	(5,499)
Receipts			
User charges and fees		2,110	890
Net cash used in operating activities	11 (b)	(36,874)	(19,774)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(9,733)	-
Net cash used in investing activities		(9,733)	-
Net increase in cash held		(42,607)	2,226
Cash assets at the beginning of the financial year	11 (a)	69,630	67,404
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	11 (a)	27,023	69,630

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

**PROFESSIONAL COMBAT SPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

1 Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

(a) Grants Revenue

Grants are recognised as revenue when the Commission obtains control over the assets comprising the contributions, or when the grant has been approved by the Department of Sport and Recreation.

(b) Revenue Recognition

Revenue from registrations and permits is recognised when the Commission receives the appropriate fee.

(c) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Assets costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

(d) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

Plant and Equipment	3 to 5 years
Computer Hardware	3 years

**PROFESSIONAL COMBAT SPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

1 Significant accounting policies (continued)

(e) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets net of outstanding bank overdrafts. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(f) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists.

(g) Payables

Payables, including accruals not yet billed, are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(h) Services

The Commission has only one service, being: "To ensure that contestants and officials taking part in professional contests can do so with reasonable confidence that the risks of contracting disease from bodily fluids are minimal and that their contract with the promoter will be fulfilled".

Accordingly, separate reports by service are not produced.

(i) Professional Combat Sports Commission Prize Money and Suspended Postings Accounts

Statements have not been prepared for the Professional Combat Sports Commission Prize Money Account and Suspended Postings Account as the balance of these accounts at the end of the financial year was nil (2003/2004: Nil).

(j) Members benefits

Superannuation

Members of the Commission become non-contributory members of the West State Superannuation Scheme, an accumulation fund. The Commission contributes to this accumulation fund in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. This scheme is administered by the Government Employees Superannuation Board (GESB).

The liability for superannuation charges under the West State Superannuation Scheme is extinguished by payment of employer contributions to the GESB.

(k) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

**PROFESSIONAL COMBAT SPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

1 Significant accounting policies (continued)

(l) Comparative Figures

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

(m) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar.

	2004/05 \$	2003/04 \$
2 Members' remuneration		
Chairman's fee	6,878	5,717
Other members' fees	7,513	3,726
Superannuation	1,174	745
	<u>15,565</u>	<u>10,188</u>
3 Supplies and Services		
Audit fees	400	4,000
Communications	157	-
Legal fees	8,055	7,105
Services and Contracts	35,885	2,759
Travel	2,565	2,638
	<u>47,062</u>	<u>16,502</u>
4 Depreciation Expense		
Plant and equipment	341	-
Computer Hardware	164	-
	<u>505</u>	<u>-</u>
5 User charges and fees		
Boxers' registration fees	350	170
Industry participants' registration fees	915	420
Contest permits	50	200
Promoters' registration fees	765	100
Fitness Certification	30	-
	<u>2,110</u>	<u>890</u>
6 Revenues from State Government		
Grants	48,000	22,000
Resources received free of charge (i) Determined on the basis of the following estimates provided by agencies:		
Crown Solicitors Office	8,055	7,105
	<u>56,055</u>	<u>29,105</u>

**PROFESSIONAL COMBAT SPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

6 Revenues from State Government (continued)

- (i) Where assets or services have been received free of charge or for nominal consideration, the Commission recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the Commission shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

2004/05
\$ **2003/04**
\$

7 Receivables

Current		
Trade debtors	44,000	-
	<u>44,000</u>	<u>-</u>

8 Plant and equipment

Plant and equipment		
At cost	7,488	-
Accumulated depreciation	(341)	-
	<u>7,147</u>	<u>-</u>
Computer hardware		
At cost	2,245	-
Accumulated depreciation	(164)	-
	<u>2,081</u>	<u>-</u>

Reconciliations

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current financial year are set out below.

	Plant and Equipment \$	Computer Hardware \$	Total \$
2005			
Carrying amount at start of year	-	-	-
Additions	7,488	2,245	9,733
Depreciation	(341)	(164)	(505)
Carrying amount at end of year	<u>7,147</u>	<u>2,081</u>	<u>9,228</u>

9 Payables

Current		
Trade payables	22,000	4,000
Other - amounts due to Commission members	-	2,412
	<u>22,000</u>	<u>6,412</u>

10 Equity

Accumulated surplus		
Opening balance	63,218	59,913
Change in net assets	(4,967)	3,305
Closing balance	<u>58,251</u>	<u>63,218</u>

**PROFESSIONAL COMBAT SPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

	2004/05	2003/04
	\$	\$

11 Notes to the Statement of Cash Flows

(a) Reconciliation of cash

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

Cash assets	<u>27,023</u>	<u>69,630</u>
 (b) Reconciliation of net cost of services to net cash flows used in operating activities		
Net cost of services	(61,022)	(25,800)
Non cash items:		
Depreciation expense	505	-
Resources received free of charge	8,055	7,105
Increase/(decrease) in liabilities:		
Current payables	<u>15,588</u>	<u>(1,079)</u>
Net cash used in operating activities	<u>(36,874)</u>	<u>(19,774)</u>

(c) Non-cash financing and investing activities

During the financial year, there were no assets/liabilities transferred/assumed from other government agencies not reflected in the Statement of Cash Flows.

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

12 Commitments for expenditure

As at 30 June 2005 the Commission has no future non-cancellable commitments of either a capital, financial or operating nature (2004: no commitments).

13 Contingent Liabilities and Contingent Assets

The Members of the Commission are not aware of any contingent liabilities or contingent assets as at reporting date.

**PROFESSIONAL COMBAT SPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

14 Events Occurring After Reporting Date

The Members of the Commission are not aware of any matters or circumstances that have arisen since the end of the financial year to the date of this report which has significantly affected or may significantly affect the activities of the Commission, the results of those activities or the state of affairs of the Commission in the ensuing or any subsequent years.

15 Explanatory Statement

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

No variances are reported as the Commission is not required to produce estimates for publication.

(ii) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$1,000.

	2004/05	2003/04	Variance
	\$	\$	\$
Members' remuneration	15,565	10,188	5,377
Supplies and services	47,062	13,864	33,198
	-	-	-
User charges and fees	2,110	890	1,220
Grants	48,000	22,000	26,000
Resources received free of charge	8,055	7,105	950

Members' remuneration

The variance is due to an increase in the number of meetings held during the year along with an increase in members fees.

Supplies and services

The increase is primarily the result of:

- allowance for the payment of \$22,000 to the Department of Sport and Recreation for the provision of accommodation and related administration expenses. This amount is offset by the increase in grants received; and
- the Commission increased their expenditure on printing, advertising, minor software and non capitalised asset purchases.

User charges and fees

The Boxing Control Act 1987 was amended to become the Professional Combat Sports Act 1987 in January 2005. In doing so it expanded the role of the Commission from monitoring only boxing to cover all combat sports. This has increased the number of participants registering with the Commission. Fees and charges were also increased in 2004/05.

Grants

Grants increased in 2004/05 to include the payment of \$22,000 to the Department of Sport and Recreation for the provision of accommodation and related administration expenses and \$4,000 to the Office of the Auditor General for audit services.

Resources received free of charge

Legal fees increased due to a need to investigate some sensitive issues with the represented sporting bodies.

**PROFESSIONAL COMBAT SPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

	2004/05 \$	2003/04 \$
16 Financial Instruments		

(a) Interest Rate Risk Exposure

The following table details the Commission's exposure to interest rate risk at the reporting date:

	Non-interest bearing	Non-interest bearing
Financial Assets		
Cash	27,023	69,630
Receivables	44,000	-
	<u>71,023</u>	<u>69,630</u>
Financial Liabilities		
Payables	<u>22,000</u>	<u>6,412</u>

(b) Credit Risk Exposure

Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of cash assets, the carrying amount represents the maximum exposure to credit risk for those assets.

(c) Net Fair Values

The carrying amounts of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

17 Remuneration of Members of the Commission

Remuneration of Members of the Commission

The number of members of the Commission, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following band is:

	No.	No.
\$0 - \$10,000	7	9
	\$	\$
The total remuneration of the members of the Commission is:	<u>15,565</u>	<u>10,188</u>

The superannuation included here represents the superannuation expense incurred by the Commission in respect of members of the Commission.

No members of the Commission are members of the Pension Scheme.

18 Remuneration of Auditor

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

Auditing the accounts, financial statements and performance indicators	<u>400</u>	<u>4,000</u>
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19 Related Bodies

The Professional Combat Sports Commission has no related bodies.

20 Affiliated Bodies

The Professional Combat Sports Commission has no affiliated bodies.

**PROFESSIONAL COMBAT SPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

21 The Impact of Adopting International Accounting Standards

The Australian Accounting Standards Board (AASB) has adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005.

AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires financial reports to disclose information about the impacts of any changes in accounting policies in the transition period leading up to the adoption date.

The Treasurer has released Treasurer's Instruction 1106 "Transition to Australian Equivalents to International Financial Reporting Standards" ("TI 1106") to assist agencies in meeting the disclosure requirements of the above standards. Where the new Standards offer alternative accounting treatments or disclosures, TI 1106 prescribes policies which mandate an accounting treatment or disclosure to ensure consistency across the public sector.

After reviewing the Standards in conjunction with TI 1106, the Commission believes the adoption of those Standards will have minimal impact on accounting treatments and disclosures now or in the future.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

PROFESSIONAL COMBAT SPORTS COMMISSION PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Professional Combat Sports Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2005.

Scope

The Commission's Role

The Commission is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

D D R PEARSON
AUDITOR GENERAL
27 September 2005

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Professional Combat Sports Commission's performance, and fairly represent the performance of the Professional Combat Sports Commission for the financial year ended 30 June 2005.



Chairman
Simon Watters
19 August 2005



Member
Colin Brown
19 August 2005

Performance Indicators

For each service, agencies are required to report measures of quantity, quality, timeliness and cost.

Consistent with this, the commission identified two services as a framework for external reporting.

Service 1

Desired Outcome

Ensuring that professional contestants and officials taking part in professional contests can do so with reasonable confidence that the risks of contracting diseases from bodily fluids are minimal and that their contract with the promoter will be fulfilled.

Effectiveness Indicators

Percentage of registered professional combat sports contestants with a positive serology test.

Period	Percentage of Positive Serology Tests
2004/05	0%
2003/04	0%
2002/03	0%
2001/02	0%

Percentage of instances of non-compliance with the *Professional Combat Sports Act 1987* and its Regulations.

Period	Percentage of Non-compliance
2004/05	17%
2003/04	0%
2002/03	0%
2001/02	0%

At one of the six promotions conducted there was one instance of non-compliance with the Act and Regulations through failure of the promoter to comply with conditions attached to a Promotion Permit. On this occasion in June 2005 the promoter did not provide emergency equipment for the management of an injured contestant.

Service 2

Efficiency Indicator

The cost of issuing a permit for a contest registered by the Commission.

This measure is calculated by:

$$\frac{\text{Total Operating Cost}}{\text{Number of Registered Promotions}}$$

Costs	2004/05 \$	2003/04 \$	2002/03 \$	2001/02 \$
Chairman's fee	6,878	5,717	5,610	5,482
Commissioner fees and allowances	7,513	3,726	1,168	473
Commissioner superannuation	1,174	745	610	333
Operating costs	47,567	16,502	10,077	3,818
Total	63,132	26,690	17,465	10,106
Number of Promotions	6	3	5	0
Cost of issuing a permit	10,522	8,899	3,493	0

Note: 2004/05 costs include one-off purchases of equipment for contestant and industry participant records keeping and for contest management (Cost of purchases \$8,746).

The Commission agreed to pay administration costs of \$22,000 to the Department of Sport and Recreation annually, commencing in 2004/2005.