



Government of **Western Australia**
Combat Sports Commission

Combat Sports Commission

2017-18 Annual Report

For the Safety and Organisation of Combat Sports





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Minister for Sport and Recreation

Hon. Mick Murray 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 Combat Sports Commission (the Commission) for the period 1 July 2017 to 30 June 2018.

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



Cassandra Wright

Commission Chair



Jacqui Jashari

Commission Member on behalf of
the Department of Local Government,
Sport and Cultural Industries

Supporters and Partners of the Commission

Without the support of the Combat Sports Commission's (the Commission) major partners, a great deal of the Commission's work would not be possible. The contribution of these partners and supporters is gratefully acknowledged.

Department of Local Government, Sport and Cultural Industries

Western Australian Police

New South Wales Combat Sports Authority

Professional Boxing and Combat Sports Board of Victoria

South Australian Boxing and Martial Arts Advisory Committee.

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Commission Structure

The structure of the Combat Sports Commission (the Commission) refers to its size and composition and is outlined in section 4(2) of the *Combat Sports Act 1987* (the *Act*). Section 4(2) of the *Act* requires that the Commission maintain a mix of knowledge, skills and experience to ensure that it can effectively regulate combat sports contests.

Commissioner	Role within the Commission	Term
Ms Cassandra Wright	Chair	Ends January 2019
I. Mark Longman	A police officer nominated in writing by the Commissioner of Police.	Commenced January 2016*
Dr Brian Galton-Fenzi	A medical practitioner who in the opinion of the Minister has knowledge of injuries suffered by contestants.	Ends January 2020
Mr Anthony Van Der Wielen	A person who in the opinion of the Minister has knowledge of the boxing industry	Ends January 2020
Mr Derrick Chan	A person who in the opinion of the Minister has knowledge of the industry relating to combat sports other than boxing.	Ends January 2019
Mr Wayne Rowland	A person who in the opinion of the Minister represents persons who are or have been registered as contestants in a class relevant to boxing.	Ends January 2019
Ms Renée Felton	A person who in the opinion of the Minister represents persons who are or have been registered as contestants in a class other than a class relevant to boxing.	Ends January 2020
Mr Dean Woodhams	A person who in the opinion of the Minister has knowledge of the industry relating to combat sports known as mixed martial arts.	Ends January 2020
Ms Jacqui Jashari	An officer of the Department of Local Government, Sport and Cultural Industries nominated by the Director General.	Commenced February 2018*

*Commissioners in these positions are nominated by other government bodies and remain on the Commission until their nomination is withdrawn.

Commissioners



**Ms Cassandra
Wright**

Chair of the Commission

Ms Cassandra Wright was appointed Chair of the Combat Sports Commission in May 2017.

Cass is a highly experienced legal practitioner with significant experience in litigation (in many jurisdictions including the High Court of Australia) and dispute resolution. Cass has in-depth knowledge of relevant legislation, regulatory compliance and governance and is an experienced corporate Lawyer. Cass holds a Bachelor of Laws, a Bachelor of Health Science, a Diploma in Management and has completed an Executive Leadership course.

Cass is passionate about health, safety, diversity and inclusion and fitness. She is a member of the Commission's Governance and Risk Committee and Audit and Finance Committee.



**Dr Brian
Galton-Fenzi**

A medical practitioner who, in the opinion of the Minister, has knowledge of injuries suffered by contestants.

Dr Brian Galton-Fenzi was appointed to the Commission in June 2018.

Brian is an occupational and environmental physician and a public health physician with an interest in safety and risk management. He gained his Fellowships with the Australasian Faculties of Occupational and Environmental Medicine and the Faculty of Public Health Medicine, he is a Certified Professional of the Safety Institute of Australia. Dr Galton-Fenzi is also an Adjunct Clinical Associate Professor, Faculty of Health Sciences, Curtin University.

Brian has an extensive experience in health and wellbeing in all workplace environments; injury management and musculoskeletal medicine; pain medicine; health surveillance programmes and their effectiveness; fitness for work with appropriate risk reviews; and workplace risk and safety assessments.

Dr Galton-Fenzi continues in his role as clinical consultant in both his private capacity and public hospital work, and on a medical board.



I. Mark Longman

A police officer nominated in writing by the Commissioner of Police.

Inspector Mark Longman joined the Commission in January 2016 as the Western Australian Police Commissioner's representative.

Mark is a career police officer having served for more than 32 years in metropolitan and regional areas predominantly in frontline uniform roles. He has been the Officer in Charge of both metropolitan and country police stations providing the integral link between the communities he policed and the Western Australia Police. Mark has also served with the Australian Federal Police in East Timor, as the Officer in Charge of a large police station. He is currently attached to the Licensing Enforcement Division where one of his roles is to ensure the integrity of relevant industries through a stringent and ongoing probity process.

Mark brings this experience and knowledge to the combat sports industry and is focused on ensuring that persons involved in the various professions are deemed to be 'fit and proper'. On that basis, Mark provides valuable assistance and advice to the Commission during the assessment of permit applications.

Commissioners – continued



**Mr Anthony
Van Der Wielen**

A person with knowledge of the boxing industry.

Mr Anthony Van Der Wielen was appointed to the Commission in January 2017 as a person who has knowledge of the boxing industry.

Anthony fought as an amateur in the 1980's and has had a long association with the sport. Anthony has run a successful sports management company for 15 years, managing a large stable of high profile athletes across many different sports including world champion boxers.

Anthony is an entrepreneur with an extensive business knowledge. His board experience across private business as well as AFL clubs and not for profit business groups such as CCI Australia are an asset to the Commission.



Mr Derrick Chan

A person who in the opinion of the Minister has knowledge of the industry relating to combat sports other than boxing.

Mr Derrick Chan was appointed to the Commission in January 2011 as a person who has knowledge of combat sports other than boxing.

Derrick's martial arts experience extends over 40 years in the areas of Kyokushin Kai and Shotokan Karate, Jujitsu, Kung-Fu and Taekwondo both WTF and ITF, having competed at State, National and World Championships for Australia. Over this time, he has continued as a registered official / referee for these styles of Karate and Taekwondo. Derrick brings to the Commission not only experience and knowledge from his martial arts background but also years of experience and professional relationships in the martial arts industry as a whole and the world. He also brings from his professional work background in both project management and quality assurance his wealth of experience and knowledge.

Derrick is focused on ensuring the health and welfare of competitors and officials of all combat sports and hopes to assist in the development and improvement of the combat sports industry through improved industry relationships, encouraging further industry professional development, continuing the development of policies and procedures and implementing better strategic and forward planning.



Mr Wayne Rowland

A person who in the opinion of the Minister represents persons who are or have been registered as contestants in a class relevant to boxing.

Mr Wayne Rowland was appointed to the Commission in January 2011 and is a person who has knowledge of persons who are or have been registered as a contestant in a class relevant to boxing.

Wayne has been involved in the combat sports industry for over 20 years in the capacity of a contestant, trainer, judge, promoter and now a Commissioner.

Wayne wants to help in the development of combat sport to ensure it grows into a larger industry not only in WA but also nationally and internationally. He wants combat sport to be considered a true sport that sportspeople (whether children or adult) can take up with the knowledge that their health and safety as an athlete comes first.

Commissioners – continued



Ms Renée Felton

A person who in the opinion of the Minister represents persons who are or have been registered as contestants in a class other than a class relevant to boxing.

Ms Renée Felton was appointed to the Commission in January 2017 as the person who has knowledge of registered contestants in a class other than a class relevant to boxing.

Renée has an extensive career and experience as a competitor, promoter and contestant manager. Renée would like to continue to develop her knowledge and continue to build the relationship between contestants, industry participants and the Commission.

As the combat sports industry grows, Renée wishes to utilise her passion and knowledge that has spanned over 11 years to ensure that all competitors have a healthy and safe environment to perform in.



Mr Dean Woodhams

A person who in the opinion of the Minister has knowledge of the industry relating to combat sports known as mixed martial arts.

Mr Dean Woodhams was appointed to the Commission in October 2014 as a person who in the opinion of the Minister has knowledge of the industry relating to combat sports known as mixed martial arts.

Dean has been involved in the combat sports industry for over 38 years. In this time, he has reached the levels of Seventh Degree Black Belt in Karate, Trainers Level in Muay Thai and kickboxing and holds a Blue Belt in Brazilian Jiu Jitsu. He also has a special interest in practical weaponry and holds First Degrees in Modern Bojutsu and Kombatan Arnis.

Dean has competed in touch-contact and full contact karate competitions, at one time being the state champion. In the mid 1980s Dean competed as a contestant in Kickboxing and Muay Thai, finishing with a record of five fights for five wins.

Following time spent as a fighter, Dean developed his career as a judge and referee. Dean maintained a longstanding registration with the Combat Sports Commission of Western Australia, as an official across several classes. He enjoyed undertaking referee, judge and timekeeper roles for contests across mixed martial arts, Muay Thai and professional boxing. He has officiated over 280 title fights including refereeing 17 World Title Bouts.

Dean has been the Chief Referee and Technical Adviser for the World Kick Boxing Association (WKA), the World Muay Thai Council in WA (WMC), the International Sport Karate Association (ISKA) WA, Muay Thai Australia (MTA) and several other private contests and has previously been engaged by the Combat Sports Commission to train amateur and professional officials.

Commissioners – continued



Ms Jacqui Jashari

An officer of the Department of Local Government, Sport and Cultural Industries nominated by the Director General.

Ms Jacqui Jashari was appointed to the Commission in February 2018 as an officer of the Department of Local Government, Sport and Cultural Industries, Sport and Recreation (WA) division, nominated by the Director General.

Jacqui is currently a Manager, Industry Development at the department, having previously worked across many other areas including Organisational Development, Community Participation and High Performance.

In this role, Jacqui works with many State Sport Associations and Industry Representative Organisations, their Chief Executive Officers and Boards, to support implementation of strong governance, leadership and management practices. Jacqui has a strong governance background through recent completion of the Australian Institute of Company Directors course and the Governance Institute of Australia – Governance and Risk Management Certificate and sitting on various boards and nominations committees.

Along with this, Jacqui brings a strong knowledge of sport at the community and elite level.

Outgoing Commissioners and Staff

There were several changes to the structure of the Commission during 2017/18.

Dr Roslyn Carbon

Dr Roslyn Carbon was appointed to the Commission in 2014 and served as both the Chair and Medical Commissioner during this time. Roslyn provided the Commission with a wealth of medical knowledge which was significant for the evolution of the Commission. The Commission thanks Roslyn for all her work and wishes her all the best for the future.

Mr Nick Sloan

Mr Nick Sloan was appointed to the Commission in December 2016 as an officer of the then Department of Sport and Recreation, nominated by the Director General. Nick stood down from the Commission in February 2018 due to operational needs of the department and has taken up an Executive Director role with the Department of Local Government, Sport and Cultural Industries. Nick's broad Government experience was highly beneficial to the Commission. The Commission wishes Nick all the very best with his future work.

Mr Greg McGuire

After eight years as the Executive Officer of the Commission, Mr Greg McGuire has moved on. Greg was a pivotal part of the Commission over this time including leading the review of the *Combat Sport Act 1987* and the *Combat Sports Regulations 2004*. Greg's knowledge of the industry has been vital to the Commission and will be missed. The Commission wishes him all the very best.



Dr Roslyn Carbon



Mr Nick Sloan



Mr Greg McGuire

Chair's Report

The 2017/18 financial year was a productive yet challenging year for the Commission with several new initiatives being implemented and several changes to the composition of the Commission.

Changes to the Commission and Staff

This year saw a number of changes to the composition of the Commission. Dr Roslyn Carbon departed after five years with the Commission and Mr Nick Sloan stepped down after 14 months with the Commission. I thank Roslyn and Nick for all their hard work and effort during that time. Dr Brian Galton-Fenzi was appointed to the Commission as the new Medical Commissioner and Ms Jacqui Jasahri was appointed as the new departmental representative. Both Brian and Jacqui bring a wealth of experience to their roles and I look forward to the continuation of our work together.

I wish to also acknowledge the outgoing Executive Officer, Mr Greg McGuire. Greg supported the Commission for more than eight years for which I am very appreciative and wish Greg all the best with his future endeavours. The Executive Officer position was also occupied by Cameron Agnew for a period of four months while Greg was on leave and Seema Saxena has filled the vacancy caused by Greg's departure. I appreciate the efforts of both Cameron and Seema throughout the year in working with the Commission during some challenging times.

Staff Relocation

The Commission's administration team has now relocated to Gordon Stephenson House, 140 William Street, Perth (situated directly above the Perth Underground Train Station). This move was part of changes occurring through the Machinery of Government, announced by the Premier on 28 April 2017. As a part of the Machinery of Government, the former Department of Sport and Recreation now sits within the Department of Local Government, Sport and Cultural Industries (DLGSC). The move was a massive challenge and I thank all those involved.

Contestant Safety Project

In 2017/18, the Commission established the Contestant Safety Reference Group to address rapid weight loss by dehydration (weight cutting) by contestants. The Reference Group has developed a strategy to address weight cutting through extensive research and industry consultation. The Commission also engaged Curtin University to conduct research into the validity, availability and practicality of dehydration testing. The Commission aims to roll out the strategy in the 2018/19 financial year. The Commission appointed James Harmer as the Project Officer to work with the Reference Group on this project. I thank James for all his hard work on this important project.

Communications Project

The Commission engaged Two Moons Consulting to review and advise on matters relating to communications including publication materials, website design, stakeholder engagement and the delivery of education and training. This project has highlighted areas in which the Commission can achieve better engagement with the industry and will continue to work with Two Moons in 2018/19 to deliver an improved level of service and regulation.

Other Projects

In parallel to the abovementioned projects, the Commission has been developing a new online registration portal and building our new stand-alone website supported with our own domain name. Currently the Commission web pages are located within the Department of Local Government, Sport and Cultural Industries' website. We appreciate the challenges users find in gathering relevant information quickly and easily in the current format.

Policy Work

The Commission undertook a significant amount of policy work during 2017/18, commencing the review of all its policies to guide Commission decision making and provide greater clarity to the industry. The Commission will continue this work in 2018/19.

Acknowledgements

I also wish to acknowledge the contribution of all members of the Commission. I thank them for their dedication and personal assistance that they have provided me. I acknowledge Commissioners Derrick Chan, Dean Woodhams, Renée Felton and Wayne Rowland who attended most contests in 2017/18.

I wish to publicly acknowledge the continued efforts of Tracey Roper, Stacey Newton and Lisa Pearson throughout the year. It is their commitment and professionalism that ensures the smooth running of the Commission.

On behalf of the Commission, I would like to again thank the Hon. Mick Murray for his support of the Commission and would also like to personally commend all Commission members and support staff for their efforts in enforcing the Act during the year.



Cassandra Wright

Commission Chair

Mission Statement and Priorities

The mission of the Combat Sports Commission (the Commission) is to improve all aspects of safety, integrity and organisation of combat sports contests in Western Australia.

1. Industry leadership – the Commission consists of individuals with knowledge appropriate to combat sports. The appointment of these representatives ensures that the Commission remains at the fore-front of all issues and trends relating to combat sports events.
2. Support – meeting with industry participants on a regular basis and attending all combat sports contests, provides promoters and other industry participants with a visible level of support.
3. Education – the Commission provides industry participants with access to a number of courses run in conjunction with the Department of Local Government, Sport and Cultural Industries as well as training initiatives that are specific to combat sports.

These priorities assist the Commission to provide advice and direction to all participants which has resulted in an increased level of health, safety and event management outcomes.

Minister Responsible

The Combat Sports Commission reports to the Hon. Mick Murray, in his capacity as Minister for Sport and Recreation.

Objectives

The objectives of the Commission are to:

- carry out the functions conferred on the Commission under the *Combat Sports Act 1987*
- recommend standards, specifications, codes of conduct and guidelines to ensure proper standards in combat sports
- devise and approve standards or guidelines for the preparation or training of persons participating in or proposing to participate in contests
- advise the Minister for Sport and Recreation on combat sport matters or any other matter incidental to combat sports.

Vision

The vision of the Commission is the improvement in the monitoring of the health and safety of all contestants by:

- protection of contestants and officials through stringent medical requirements for registration
- detection of blood borne diseases through ongoing serology testing
- presence of a medical practitioner and required medical equipment at all contests
- pre-and post-medical examinations.

Highlights

Contests

The Commission approved 35 contests in 2017/18 across all disciplines including boxing, mixed martial arts, and Muay Thai.

A number of breaches of the Act and the Regulations occurred this financial year, however, the Commission is pleased to see that the number of breaches remained relatively low this year.

UFC 221

Perth successfully hosted its first UFC event at Perth Arena on 11 February 2018 in front of a crowd of 12,437. UFC 221 featured the main bouts of Yoel Romero defeating Luke Rockhold and Curtis Blaydes defeating Mark Hunt.

Injury Statistics

In 2017/18, the Commission continued to maintain a database of reportable injuries suffered by contestants.

Reportable injuries are defined as any injury sustained during a contest that is recorded on the Post Contest Medical Examination Form and required treatment from the ringside medical practitioner or follow up treatment after the contest.

The Commission can report that of the 896 contestants participating in the 35 contests directly overseen by the Commission in 2017/18, there were 112 reportable injuries.

This equates to 12.5% of contestants suffering an injury during a contest and is a 0.4% increase from 2016/17.

Further analysis of the 112 reportable injuries shows; 51 mandatory medical suspensions due to stoppages (19 from the UFC), 14 concussions, 43 lacerations requiring steri-strips, glue or sutures, seven dislocations, breaks or referrals for x-rays and 48 miscellaneous injuries ranging from bruises to sprains and strains.

Business Management

Financial Management

The Commission remains on an ongoing funding arrangement with the Department of Treasury.

The Commission's finances are managed by the Department of Local Government, Sport and Cultural Industries' finance branch under a service level agreement. The finance branch provides effective governance of the Commission's financial policies and processes.

The Commission thanks the department for all the ongoing support it provides.

Industry contact

The Commission provided the industry with an array of information over the last year, including information on:

- proposed contest dates
- current projects
- opportunities for engagement.

The Commission continued to use social media as a communication tool with the industry. The Commission's Facebook account continues to prove invaluable in contacting contestants and industry participants and in providing timely information to the industry.

Statutory Reporting

Freedom of Information (FOI) Act 1992

The Commission abides by the Department of Local Government, Sport and Cultural Industries' Freedom of Information policy. The Department provides all FOI services to the Commission and liaises with the community, public and media regarding FOI requests.

The Freedom of Information policy is available at www.dlgsc.wa.gov.au.

One FOI request was received during 2017/18.

Public sector standards and ethical codes

No compliance issues arose during the 2017/18 year in relation to the Public Sector standards. The Commission continues to monitor all complaints made to the Commission Chair.

Equity, access, inclusion and substantive equality

The Commission has adopted all the Department of Local Government, Sport and Cultural Industries' principles, standards or procedures in relation to equity, access, inclusion and substantive equality.

Advertising and marketing expenditure

In compliance with section 175ZE of the *Electoral Act 1907*, the Commission is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

Advertising agencies

Adcorp	\$1,648.81
Market research agencies	\$0.00
Polling agencies	\$0.00
Direct mail agencies	\$0.00
Media advertising agencies	\$0.00
TOTAL	\$1,648.81

Enabling Legislation

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

Legislation Impacting Activities of the Commission

In performing its functions, the Commission must comply 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 the amended Workers' Compensation and Rehabilitation Amendment Act 1993)*
- *Public Interest Disclosure Act 2003*

Independent Audit Opinion



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

COMBAT SPORTS COMMISSION

Report on the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibility of the Commission for the Financial Statements

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Combat Sports Commission. The controls exercised by the Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the Combat Sports Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2018.

The Commission's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

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

In my opinion, in all material respects, the key performance indicators of the Combat Sports Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2018.

The Commission's Responsibility for the Key Performance Indicators

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Commission determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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

Auditor General's Responsibility

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

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

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

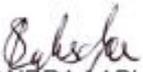
I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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


SANDRA LABUSCHAGNE
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
31 August 2018

Certification of Key Performance Indicators

CERTIFICATION OF KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2018

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Combat Sports Commission's performance, and fairly represent the performance of the Combat Sports Commission for the financial year ended 30 June 2018.



Chairperson

Cassandra Wright

Date: 27/8/18



Member

Jacqui Jashari

Date: 27/8/2018



Performance Indicators

Government Goal

Building strong communities by achieving results in key service delivery areas for the benefit of all Western Australians.

Performance Indicators

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

Service

The Commission has only one service, being: "To ensure that contestants and officials taking part in contests can do so with reasonable confidence that the risks of contracting disease from bodily fluids are minimal and that the promoter will fulfil their requirements under the *Combat Sports Act 1987* and the *Combat Sports Regulations 2004*".

Desired Outcome

To improve all aspects of safety and organisation of combat sports contests in Western Australia.

Effectiveness indicators:

Indicator one

Percentage of registered combat sports contestants with a positive serology test: This is the percentage of serology reports that the Commission received that showed that a registered contestant was positive for either Hepatitis B, Hepatitis C, or HIV.

The target for this KPI is 0% which was again met by the Commission.

Period	Percentage of positive serology reports
2017/18	0%
2016/17	0%
2015/16	0%
2014/15	0%
2013/14	0%

As required by the *Combat Sports Act 1987* and the *Combat Sports Regulations 2004*, individuals that apply for registration and present with a positive serology report have their registration as a contestant declined.

Performance Indicators - continued

Indicator two

Percentage of instances of non-compliance with the *Combat Sports Act 1987* and the *Combat Sports Regulations 2004* at contests: This percentage represents the number of breaches out of all the potential breaches under the Act and Regulations over a financial year.

The target for this KPI is 0%.

Period	Percentage of non-compliance
2017/18	1.71%
2016/17	0.99%
2015/16	1.13%
2014/15	0.83%
2013/14	1%

Non-compliance relates to any breach of the Act or its supporting Regulations. Examples include but are not limited to:

- failing to hold a weigh-in in accordance with the provisions of the Act
- taking part in a contest without being registered
- arranging a contest without a permit
- failing to adhere to a medical suspension issued by a medical practitioner
- failing to adhere to the mandatory rest periods specified in the Regulations.

Despite the Commission's best efforts there were breaches of the Act and the Regulations this financial year. However, the Commission is pleased to see that the number of breaches remained relatively low this year and attributes this to the Commission's contest feedback system. As with previous years, major breaches of the Act/Regulations that impact on contestant health and safety are not tolerated by the Commission and in these situations the breach is either addressed or the contest permit is cancelled. Low level breaches of the Act/Regulations that do not impact on contestant health and safety are generally raised with the relevant people at the time and if not addressed, the Commission takes action after the contest through the promotion feedback process.

Performance Indicators - continued

Efficiency indicator:

Indicator 3

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

The measure is calculated by:

Total operating cost
Number of contests held

Costs	2017/18 \$	2016/17 \$	2015/16 \$	2014/15 \$	2013/14 \$
Chair's fee	13,250	8,289	13,250	9,400	9,400
Commissioner fees and allowances	99,890	51,380	43,899	38,700	25,022
Commissioner superannuation	10,748	5,669	4,945	4,570	2,887
Operating costs	728,582	655,320	633,599	587,120	500,229
Total	852,470	720,658	695,692	639,790	537,538
Number of contests	35	39	34	39	35
Cost of issuing a permit	24,356	18,478	20,462	16,405	15,358

NB: The target cost of issuing a permit in 2017-18 was \$25,150. This is based on estimated total cost of \$1.006m and the number of contests 40 for the 2017-18 financial year.

The Commission met its efficiency indicator in 2017-18 due to significantly lower total costs than budgeted due to there being five less shows than the target of 40.

Certification of Financial Statements

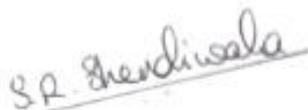
Financial Statements

Combat Sports Commission Certification of Financial Statements

For the year ended 30 June 2018

The accompanying financial statements of the Combat Sports Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2018 and the financial position as at 30 June 2018.

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



Shanaeya Sherdiwala
Chief Finance Officer
Date:



Cassandra Wright
Chairperson
Date: 27/8/18



Jacqui Jashari
Member

Date: 27/8/2018

Combat Sports Commission
Statement of Comprehensive Income
For the year ended 30 June 2018

	Notes	2018	Restated* 2017
COST OF SERVICES			
Expenses			
Members' remuneration	3.1	123,888	65,337
Grants and subsidies	3.2	11,250	0
Supplies and services	3.3	717,332	655,320
Total cost of services		852,470	720,657
Income			
<i>Revenue</i>			
User charges and fees	4.2	36,992	50,229
Other revenue	4.3	1,234	1,455
Total revenue		38,226	51,684
Total income other than income from State Government		38,226	51,684
NET COST OF SERVICES		814,244	668,973
Income from State Government			
Grants and subsidies from State Government	4.1	750,000	814,000
Services received free of charge	4.1	10,743	8,547
Total income from State Government		760,743	822,547
SURPLUS/(DEFICIT) FOR THE PERIOD		(53,501)	153,574
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(53,501)	153,574

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

* Refer Note 9.2 "Correction of prior period error"



Combat Sports Commission
Statement of Financial Position
As at 30 June 2018

	Notes	2018	Restated* 2017	Restated* 2016
ASSETS				
Current Assets				
Cash and cash equivalents	7.1	665,698	699,581	649,989
Receivables	6.1	33,720	16,512	17,601
Other current assets	6.2	0	1,232	0
Total Current Assets		699,418	717,325	667,590
Non-Current Assets				
Intangible assets (Works in Progress)	5.1	115,974	96,735	0
Total Non-Current Assets		115,974	96,735	0
TOTAL ASSETS		815,392	814,060	667,590
LIABILITIES				
Current Liabilities				
Payables	6.3	97,338	70,966	77,347
Other current liabilities	6.4	58,452	29,991	30,714
Total Current Liabilities		155,790	100,957	108,061
TOTAL LIABILITIES		155,790	100,957	108,061
NET ASSETS		659,602	713,103	559,529
EQUITY				
Accumulated surplus/(deficit)	9.9	659,602	713,103	559,529
TOTAL EQUITY		659,602	713,103	559,529

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

* Refer Note 9.2 "Correction of prior period error"



Statement of Cash Flows

For the year ended 30 June 2018.

	Notes	2018	2017
CASH FLOWS FROM STATE GOVERNMENT			
Receipts from general government agencies		750,000	814,000
Net cash provided by State Government		750,000	814,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Members' sitting fees		(121,470)	(39,015)
Supplies and services		(655,235)	(674,107)
Grants and subsidies		(11,250)	-
GST payments on purchases		(80,467)	(88,170)
GST payments to taxation authority		(3,912)	(5,249)
Other payments		(118)	-
Receipts			
User charges and fees		36,992	50,229
GST receipts on sales		3,836	5,094
GST receipts from taxation authority		65,746	82,090
Other receipts		1,234	1,455
Net cash provided by/(used in) operating activities	7.1	(764,644)	(667,673)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(19,239)	(96,735)
Net cash provided by/ (used in) investing activities		(19,239)	(96,735)
Cash and cash equivalents at the beginning of the period		699,581	649 989
Net increase/(decrease) in cash and cash equivalents		(33,883)	49 592
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.1	665,698	699,581

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

Statement of Changes in Equity

For the year ended 30 June 2018.

	Note	Restated* Accumulated Surplus/(Deficit)	Total Equity
Balance at 1 July 2016		506,702	506,702
Correction of prior period error / change in accounting policy	9.2	<u>52,827</u>	<u>52,827</u>
Restated Balance at 1 July 2016	9.9	559,529	559,529
Surplus/(Deficit)		153,574	153,574
		<u>713,103</u>	<u>713,103</u>
Balance at 30 June 2017		<u>713,103</u>	<u>713,103</u>
Balance at 1 July 2017	9.9	713,103	713,103
Surplus/(Deficit)		(53,501)	(53,501)
		<u>659,602</u>	<u>659,602</u>
Balance at 30 June 2018		<u>659,602</u>	<u>659,602</u>

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

* Refer Note 9.2 "Correction of prior period error"

Notes to the Financial Statements

1. Basis of preparation

The Combat Sports Commission (the "Commission") is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 27 August 2018.

Statement of Compliance

These general purpose financial statements have been prepared in accordance with:

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

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement, basis is disclosed in the associated note.

Judgements and estimates

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

Contributed equity

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

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

2. Commission outputs

How the Commission operates

This section includes information regarding the nature of funding the Commission receives and how this funding is utilised to achieve the Commission's objectives.

2.1 Commission objectives

Mission

The Commission was formed to implement and oversee the *Combat Sports Act 1987* and the *Combat Sports Regulations 2004* and ensure that all participants involved in combat sports, regardless of their amateur or professional status, enjoy meaningful health and safety precautions.

The Commission is predominantly funded by grants from Department of Local Government, Sport and Cultural Industries (Sport and Recreation). The grants are paid periodically as appropriations.

Services

The Commission has only one service, being: "To ensure that contestants and officials taking part in amateur and 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 fulfil their requirements under the *Combat Sports Act 1987* and the *Combat Sports Regulations 2014*". Accordingly, separate reports by service are not produced.

3. Use of our funding

Expenses incurred in the delivery of services

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

	Notes	2018	2017
Members' remuneration	3.1	123,888	65,337
Grants and subsidies	3.2	11,250	0
Supplies and services	3.3	717,332	655,320

3.1 Members' remuneration

	2018	2017
Chairman's fee	13,250	8,288
Other member's fees	99,890	51,380
Superannuation – defined contribution plans ^(a)	10,748	5,669
Total members' remuneration	123,888	65,337

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

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the WSS, the GESBs, or other superannuation funds.

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

3.2 Grants and subsidies

	2018	2017
<u>Recurrent</u>		
Combat Sports Dehydration Project	11,250	0
Total grants and subsidies	11,250	0

Transactions in which the Commission provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

3.3 Supplies and services

	2018	2017
Supplies and services		
Audit Fees	12,830	12,700
Services and Contracts	698,367	635,974
Advertising for Vacancies	1,499	1,622
Travel	2,458	3,547
Materials	2,178	1,477
Total supplies and services expenses	717,332	655,320

Supplies and services:

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

4. Our funding sources

How we obtain our funding

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

	Notes	2018	2017
Income from State Government	4.1	760,743	822,547
User charges and fees	4.2	36,992	50,229
Other Revenue	4.3	1,234	1,455

4.1 Income from State Government

	2018	2017
Grants ^(a)	750,000	814,000
Services received free of charge	10,743	8,547
Total income from State Government	760,743	822,547

(a) Grants from Department of Local Government, Sport and Cultural Industries (Sport and Recreation) are paid periodically as appropriations. Service Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account by the Department of Local Government, Sport and Cultural Industries.

4.2 User charges and fees

	2018	Restated* 2017
Industry participants' registration fees	30,080	42,091
Contest permits	5,112	5,556
Promoters' registration fees	1,800	2,582
	36,992	50,229

Revenue recognition

Revenue is recognised at fair value when the Commission obtains control over the assets comprising the contributions, or when the grant has been approved by the Department of Local Government, Sport and Cultural Industries.

Registrations and Permits

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

* The 2017 comparative amounts have been restated. See also Note 9.2 'Correction of prior period error'.

4.3 Other Revenue

	2018	2017
Sundry revenue	1,234	1,455
	<u>1,234</u>	<u>1,455</u>

The revenue from other activities including fines is recognised at fair value when the significant risks and rewards of ownership transfer to the Commission and can be measured reliably.

5. Key assets

Assets the Commission utilises for economic benefit or service potential

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

	Notes	2018	2017
Intangibles (Works in Progress)	5.1	115,974	96,735
Total key assets		<u>115,974</u>	<u>96,735</u>

5.1 Intangible assets (Works in Progress)

Year ended 30 June 2017

	Computer Software (WIP)	Total
1 July 2016		
Carrying amount at start of period		
Additions	0	0
Carrying amount at 30 June 2017	96,735	96,735
	<u>96,735</u>	<u>96,735</u>

Year ended 30 June 2018

	Computer Software (WIP)	Total
1 July 2017		
Carrying amount at start of period		
Additions	96,735	96,735
Carrying amount at 30 June 2018	19,239	19,239
	<u>115,974</u>	<u>115,974</u>

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) An intention to complete the intangible asset and use or sell it;
- (c) The ability to use or sell the intangible asset;
- (d) The intangible asset will generate probable future economic benefit;
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- (f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Note 5.1 Intangible assets (Works in Progress) (cont.)

Subsequent measurement

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

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised

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

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

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

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

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life.

Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

6. Other assets and liabilities

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

	Notes	2018	Restated 2017
Receivables	6.1	33,720	16,512
Other Assets	6.2	0	1,232
Payables	6.3	97,338	70,966
Other Liabilities	6.4	58,452	29,991

6.1 Receivables

	2018	2017
Current		
GST receivable	33,720	16,512
Total receivables	33,720	16,512

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

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

6.2 Other assets

	2018	2017
Current		
Prepayments	0	1,232
Total other assets	0	1,232

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

6.3 Payables

	2018	2017
Current		
Trade payables	97,338	70,966
Total payables	97,338	70,966

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

Restated* Restated*

6.4 Other liabilities

	2018	2017	2016
<u>Current</u>			
Income received in advance	0	0	0
Accrued Sitting Fees	44,339	16,021	16,943
Accrued Audit Fees	14,113	13,970	13,771
Total other liabilities	58,452	29,991	30,714

* The 2017 and 2016 comparative amounts for Income received in advance (current & non-current) have been restated. See also Note 9.2 'Correction of prior period error'.

7. Financing

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

	Notes
Cash and cash equivalents	7.1
Reconciliation of cash	7.1.1
Reconciliation of operating activities	7.1.2

7.1 Cash and cash equivalents

7.1.1 Reconciliation of cash

	Notes	2018	2017
Cash and cash equivalents		665,698	699,581

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

		2018	2017
Net cost of services		(814,244)	(668,973)
Non-cash items			
Services received free of charge	4.1	10,743	8,547
(Increase)/decrease in assets			
Other current assets	6.2	1,232	(1,232)
Increase/(decrease) in liabilities			
Current payables ^(a)	6.3	26,372	(6,381)
Other current liabilities	6.4	28,461	(723)
Change in GST in receivables/payables ^(b)	6.1	(17,208)	1,089
Net cash provided by/(used in) operating activities		(764,644)	(667,673)

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

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

The mandatory application of AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 imposed disclosure impacts only. The Commission is not exposed to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

8. Risks and Contingencies

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

	Notes
Financial risk management	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2
Fair value measurements	8.3

8.1 Financial risk management

Financial instruments held by the Commission are cash and cash equivalents, and receivables and payables. All of the Commission's cash is held in the public bank account (non-interest bearing) account. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

Note 8.1 Financial risk management (cont.)

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures' and Note 6.1 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables, other than Government, the Commission trades only with recognised, creditworthy third parties.

The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business. The Commission has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks [for example, equity securities or commodity prices changes].

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2018	Restated 2017
<u>Financial assets</u>		
Cash and cash equivalents	665,698	699,581
Other current assets	0	1,232
Total financial assets	665,698	700,813
<u>Financial liabilities</u>		
Payables	97,338	70,966
Other liabilities (a)	58,452	29,991
Total financial liability	155,790	100,957

(a) The 2017 comparative amounts for Income received in advance (current & non-current) have been restated. See also Note 9.2 'Correction of prior period error'.

Note 8.1 Financial risk management (cont.)

(c) Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
2018								
Cash and cash equivalents	665,698	665,698						-
	665,698	665,698	-	-	-	-	-	-
2017								
Cash and cash equivalents	699,581	699,581						-
	699,581	699,581	-	-	-	-	-	-

(d) Liquidity risk and interest rate exposure

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

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

	Weighted Average Effective Interest Rate	Interest rate exposure				Nominal amount	Maturity dates				
		Carrying Amount	Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 month	1-3 months	to 1 year	1-5 years	More than 5 years
2018											
Financial Assets											
Cash and cash equivalents		665,698			665,698	665,698	665,698				
		665,698	-	-	665,698	665,698	665,698	-	-	-	-
Financial Liabilities											
Payables		97,338			97,338	97,338	97,338				
Other liabilities		58,452			58,452	58,452	58,452	-	-	-	-
		155,790	-	-	155,790	155,790	155,790	-	-	-	-

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

	Weighted Average Effective Interest Rate	Interest rate exposure				Nominal amount	Maturity dates				
		Carrying Amount	Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
2017											
Financial Assets											
Cash and cash equivalents		699,581			699,581	699,581	699,581				
		699,581	-	-	699,581	699,581	699,581	-	-	-	-
Financial Liabilities											
Payables		70,966			70,966	70,966	70,966				
Other liabilities ^(a)		29,991			29,991	29,991	29,991	-	-	-	-
		100,957	-	-	100,957	100,957	100,957	-	-	-	-

(a) The 2017 comparative amounts for Income received in advance (current & non-current) have been restated. See also Note 3.2 'Correction of prior period error'.

(e) Interest rate sensitivity analysis

The Commission is not exposed to interest rate sensitivity.

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

8.2.1 Contingent assets

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

8.2.2 Contingent liabilities

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

8.3 Fair value measurements

Basis of valuation

All financial assets and liabilities recognised in the Statement of Financial Position whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

9. Other disclosures

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

	Notes
Events occurring after the end of the reporting period	9.1
Correction of prior period error	9.2
Future impact of Australian standards issued not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Related bodies	9.6
Affiliated bodies	9.7
Remuneration of auditors	9.8
Equity	9.9

9.1 Events occurring after the end of the reporting period

The Commission is 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 financial year.

9.2 Correction of prior period error

In prior financial years, Combat Sports Commission had recognised the revenue from registrations and permits over 3 years when the money was received. This resulted in an understatement of revenue and overstatement of liability in the year of receipt.

Accordingly, the Statement of Financial Position and Statement of Comprehensive Income have been restated as follows:

Retrospective Adjustments

Statement of Comprehensive Income (Extract) for the year ended 30 June 2017

	Note	30 June 2017	Increase/ (Decrease)	Restated 30 June 2017
Revenue				
User charges and fees	4.2	46,484	3,745	50,229

Statement of Financial Position (Extract) as at 30 June 2017

	Note	30 June 2017	Increase/ (Decrease)	Restated 30 June 2017
Current Liabilities				
Income received in advance	6.4	30,345	(30,345)	0
Non-Current Liabilities				
Income received in advance		26,227	(26,227)	0
Equity				
Accumulated Surplus	9.9	656,530	56,573	713,103

Statement of Financial Position (Extract) as at 30 June 2016

	Note	30 June 2016	Increase/ (Decrease)	Restated 30 June 2016
Current Liabilities				
Income received in advance	6.4	28,794	(28,794)	0
Non-Current Liabilities				
Income received in advance		24,033	(24,033)	0
Equity				
Accumulated Surplus	9.9	506,702	52,827	559,529

9.3 Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after:
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Commission has assessed that recognition of expected credit losses will increase the amount of impairment losses recognised as Other expenses in the Statement of Comprehensive Income by \$x, and thus have an adverse impact on the agency's Surplus/(Deficit) for the period.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.</p> <p>The Commission's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not for Profit Entities and will be unaffected by this change. However, the Commission has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Commission has discharged its performance obligations.</p>	1 Jan 2019

Note 9.3 Future impact of Australian Accounting Standards not yet operative (cont.)

AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>The impact of AASB 16 has not yet been quantified. The Commission currently has no operating lease commitments. The worth of non-cancellable operating leases which the Commission anticipates (if any) will be brought onto the statement of financial position, excepting amounts pertinent to short term or low value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 Jan 2019
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AASB 1058	<p><i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset.</p>	1 Jan 2019
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. <i>Other than the exposures to AASB 9 noted above, the Commission is only insignificantly impacted by the application of the Standard.</i></p>	1 Jan 2018
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Commission was not permitted to early adopt AASB 9.</p>	1 Jan 2018
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2015-8	<p><i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.</p>	1 Jan 2018

AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.</p>	1 Jan 2018
AASB 2016-7	<p><i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.</p>	1 Jan 2018
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019

9.4 Key management personnel

The Commission has determined key management personnel to include cabinet ministers, board members and senior officers of the Commission. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances. The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Commission for the reporting period are presented within the following bands:

Compensation band (\$)	2018	2017
\$20,001 to \$30,000	2	1
\$10,001 to \$20,000	3	1
\$0 to \$10,000	3	6
	<u>8</u>	<u>8</u>

	2018	2017
Short-term employee benefits	110,950	61,289
Post-employment benefits	10,540	5,822
Total compensation of members of the accountable authority	<u>121,490</u>	<u>67,111</u>

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

9.5 Related parties

The Commission is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the Commission include:

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

Significant transactions with Government-related entities

In conducting its activities, the Commission is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- superannuation payments to GESB (Note 3.1);
- operating expenses recoup paid to Department of Local Government, Sport and Cultural Industries (Sport and Recreation) for supplies and services received (Note 3.3);
- services received free of charge from State Solicitor's Office (Note 4.1);
- grants received from Department of Local Government, Sport and Cultural Industries (Sport and Recreation) (Note 4.1); and
- remuneration for services provided by the Auditor General (Note 9.8).

Material transactions with other related parties

The Commission had no material related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

9.6 Related bodies

The Combat Sports Commission has no related bodies.

9.7 Affiliated bodies

The Combat Sports Commission has no affiliated bodies.

9.8 Remuneration of auditors

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

	2018	2017
Auditing the accounts, financial statements controls, and key performance indicators	12,830	12,700

9.9 Equity

	2018	Restated* 2017
<u>Accumulated Surplus</u>		
Balance at start of period	713,103	506,702
Correction of prior period error / change in accounting policy	0	52,827
Result for the period	(53,501)	153,574
Balance at end of period	659,602	713,103
Total Equity at end of period	659,602	713,103

*The 2017 comparative amount has been restated. See also Note 9.2 'Correction of prior period error'.

10. TI 945 Budget Estimates

Statement of Comprehensive Income Estimates for Year Ended 30 June 2019

2018-19

COST OF SERVICES

Expenses

Members' remuneration	47,000
Supplies and services	968,000
Total cost of services	1,015,000

Income

Revenue

User charges and fees	82,000
Total revenue	82,000

Total income other than income from State Government 82,000

NET COST OF SERVICES 933,000

Income from State Government

Grants	933,000
Services received free of charge	0
Total income from State Government	933,000

SURPLUS/(DEFICIT) FOR THE PERIOD 0

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD 0

Statement of Financial Position Estimates for Year Ended 30 June 2019

2018-19

ASSETS

Current Assets

Cash and cash equivalents	700,000
Receivables	17,000
Other current assets	1,000
Total Current Assets	718,000

Non-Current Assets

Property, plant and equipment	0
Intangible assets (Works in Progress)	97,000
Total Non-Current Assets	97,000

TOTAL ASSETS 815,000

LIABILITIES**Current Liabilities**

Payables	85,000
Other current liabilities	46,000
Total Current Liabilities	131,000

Non-Current Liabilities

Other non-current liabilities	26,000
Total Non-Current Liabilities	26,000

TOTAL LIABILITIES	157,000
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NET ASSETS	658,000
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EQUITY

Accumulated surplus/(deficit)	658,000
TOTAL EQUITY	658,000

Statement of Cash Flows**Estimates for Year Ended 30 June 2019****2018-19****CASH FLOWS FROM STATE GOVERNMENT**

Grants	933,000
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Net cash provided by State Government	933,000
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Utilised as follows:**CASH FLOWS FROM OPERATING ACTIVITIES****Payments**

Members' sitting fees	(47,000)
Supplies and services	(968,000)

Receipts

User charges and fees	82,000
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Net cash provided by/(used in) operating activities	(933,000)
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of non-current physical assets	0
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Net cash provided by/(used in) investing activities	0
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Net increase/(decrease) in cash and cash equivalents	0
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Cash and cash equivalents at the beginning of the period	700,000
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CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	700,000
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Department of **Local Government,
Sport and Cultural Industries**
Combat Sports Commission