



WEST AUSTRALIAN
FOOTBALL COMMISSION INC.



2019 REVIEW

INTRODUCTION

A new era for WA Football commenced in 2019, with significant changes both on and off the field.

A new Women's State League competition was launched to complete the female talent pathway, with more than 3300 spectators witnessing East Fremantle win the inaugural Optus WAFL Women's Premiership.

The West Coast Eagles entered a stand-alone team in the WAFL competition, seeing the number of teams expand to 10 and Subiaco claim back-to-back Premierships.

Western Australia won its first AFL National 18s Championship in a decade under the guidance of coach Peter Sumich and 19 WA players were added to AFL lists via the Draft.

The WA Football Commission temporarily relocated from Subiaco Oval to Tuart College as redevelopment work commenced at Subiaco. Land in the precinct was committed by the State Government for WA Football to return to its spiritual home in the future.

Alongside this, the WAFC continued to implement and embed key reform projects identified during the 2017 Structural Review of Football and outlined in the 2017-2022 WAFC Strategic Plan.

OUR VISION

CONNECTING AND ENHANCING WA COMMUNITIES THROUGH OUR GREAT GAME.

At the WAFC we value:

Our People: We care for, support and develop our people. We are one united team committed to delivering our agreed objectives. Together we celebrate our successes and achievements.

Leading our Industry: We respect our history as we shape our future. We work in partnership to ensure football is successful. We aim to set the standards for our industry.

Our relationships: We deeply value the players, volunteers, stakeholders and fans of our game. We are committed to building relationships that are enduring. We earn trust through our behaviours and communication.

Being our very best: We strive to give our very best every day. We are recognised as an organisation that gets things done. We bring passion, perseverance and a positive attitude to everything we do.

OUR ROLE

Footy is the fabric that connects players, families and communities right across Western Australia and this is the core to our focus in growing and developing football in Western Australia.

The West Australian Football Commission is the caretaker of football throughout the State and is responsible for the overall development of the game.

The WAFC's role includes ownership of the State's two AFL teams – the West Coast Eagles and Fremantle Football Club, supporting and developing the West Australian Football League (WAFL) and West Australian Football League Women's competition (WAFLW), overseeing community football, managing umpiring, and driving participation through game development and the talent pathway. The WAFC is a not-for-profit sports association. It is incorporated under the Associations Incorporation Act and governed by a voluntary Board of Commissioners that oversees the operation of all football activities throughout the State.





AT THE WAFC WE FUND & DEVELOP

- ▶ The WAFL and WAFLW competitions
- ▶ The Colts competition and supporting talent pathway
- ▶ State talent academies for males and females
- ▶ The umpiring talent pathway
- ▶ Country football
- ▶ Perth Football League
- ▶ AFL Masters WA
- ▶ School competitions and the AFL School Ambassador program
- ▶ Multicultural engagement programs
- ▶ Indigenous engagement programs including the Nicky Winmar Carnival, Kirby Bentley Carnival and WA Kickstart team
- ▶ Auskick, junior and youth football
- ▶ Tribunals, governance and integrity programs
- ▶ Community facility funding
- ▶ Coaching, umpiring and volunteer accreditation and development

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*THE WEST AUSTRALIAN FOOTBALL
COMMISSION ACKNOWLEDGES THE
ABORIGINAL PEOPLES OF WESTERN
AUSTRALIA AS THE TRADITIONAL
CUSTODIANS OF THIS LAND, AND WE
PAY OUR RESPECTS TO THEIR ELDERS
BOTH PAST AND PRESENT.*

2019 HIGHLIGHTS

346,729
WA TOTAL PARTICIPATION
+1.5%



**WA claimed the
AFL National 18s
Championship**



11 players
SELECTED IN THE 2019
AFLW NATIONAL DRAFT

19 players
SELECTED IN THE 2019
AFL NATIONAL DRAFT

**WEST COAST EAGLES BECAME
THE 10TH TEAM IN THE
WAFL COMPETITION**



887,180
WAFL TV VIEWERS
-11%

66,692
CLUB FOOTBALL
PARTICIPANTS
+3.5%

THE INAUGURAL
SEASON OF THE WAFL
WOMEN'S COMPETITION
WAS LAUNCHED



16,137
CLUB
AUSKICKERS
+0.39%

182,224
WAFL ATTENDANCE
-0.4%

**Subiaco claimed
back-to-back
WAFL Premierships**



109,647
FEMALE PARTICIPANTS
+14%

**East Fremantle
created history
BY BECOMING THE INAUGURAL
WAFLW PREMIERS**

YEAR IN REVIEW

It was another exciting year for WA Football, where through the ongoing strategic reforms across the industry, participation in the game and its associated community benefits were the highest on record.

The WAFC has remained committed to delivering against its strategic reform agenda as outlined in the 2017-2022 WA Football Strategic Plan.

There were a range of major reforms for the WA Football industry in 2019 which included:

- ▶ Launch of the inaugural WAFL Women's competition with 5 teams competing.
- ▶ West Coast Eagles entering the WAFL, creating a 10-team competition.
- ▶ Undertaking the review, then launching the Social Return on Investment Report.
- ▶ Changing the WAFC Governance Model.
- ▶ Finalising arrangements at Subiaco and moving WAFC to Tuart College.

Whilst there was a focus on driving strategic reform there was also a range of key operational outcomes and successes across 2019 including:

- ▶ Community Club based participation increased by 3.5%, the highest growth since 2015.
- ▶ Overall participation grew to 346,729, with female participation at 109,647.
- ▶ Male youth football participation continued to buck the national trend by growing for the third consecutive year.
- ▶ WAFC restructure to place a greater emphasis on regional football, talent, WAFL and football operations.
- ▶ WAFL competition recorded the lowest average winning margin since 2010, with 15 matches decided by one goal or less.
- ▶ WAFC introduced new equalisation measures for the 2020 season for teams at the top and bottom of the ladder, to support a more competitive competition.
- ▶ WAFC Women in Football Advisory Committee was launched to support the strategic growth of female football and provide leadership opportunities.
- ▶ WAFC appointed its first Aboriginal staff member in Brad Collard – Aboriginal and Inclusion leader.
- ▶ WA won the AFL National 18s Championship for the first time in 10 years.

- ▶ WAFC and WAFL Clubs developed community connection strategies to enhance the role that WAFL Clubs play in supporting the talent pathway and broader community.
- ▶ Governance reform for junior football was finalised, with a new strategic three region model to be transitioned into for 2020.
- ▶ The WAFC finalised all arrangements with the State for lease arrangements and a future home.

In 2020, the WAFC will continue to work in collaboration with the industry to ensure that the important role football plays in connecting and enhancing communities is fulfilled. Some of the key initiatives will include:

- ▶ Commence feasibility work on the WAFC future home.
- ▶ Finalise the WAFC Strategic Facilities Plan and start working with local governments on facility planning and upgrade projects.
- ▶ Implement stage 1 of regional football plan – Kimberley focussed.
- ▶ Implement new Reconciliation Action Plan.
- ▶ Work with WCE on implementing royalty investment fund programs.

THANKS TO OUR PARTNERS

The WAFC thanks and acknowledges its major funding partners including The West Coast Eagles, Fremantle Football Club, the AFL, sponsors Optus, Bupa, Kia, TABtouch and Simply Energy, and the Western Australian Government through the Department of Local Government, Sport and Cultural Industries.

Their investment in our not-for-profit operations allow football to grow and prosper in Western Australia for the ongoing benefit of the community.

Thanks to outgoing Chairman Murray McHenry

Special thanks to WAFC Chairman Murray McHenry, who's elected term as a Commissioner concluded at the end of 2019.

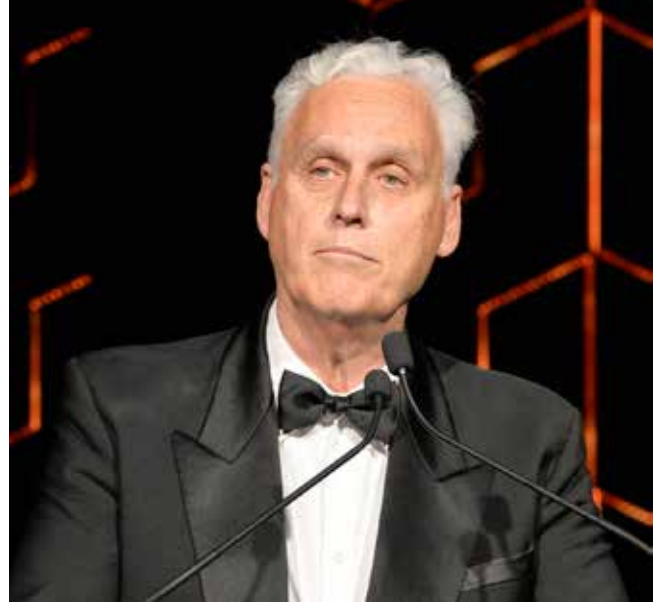
Mr McHenry, who served as a voluntary Commissioner since 2010 and Chairman since 2015, completed the maximum tenure under the WAFC constitution, following a decade of voluntary contribution to WA Football.

Mr McHenry played a key role in setting a clear strategy for WA football during this time, leading the WAFC through future funding negotiations and supporting the range of positive reforms being implemented across all segments of the game to ensure football in WA is well placed for the future.

HON. Wayne Martin AC QC, who was appointed to the WAFC Board for a three-year term in January 2019, was endorsed by the WAFC Board as Mr McHenry's successor.

Mr Martin has served the State and people of Western Australia in a variety of roles, most recently as Chief Justice of Western Australia, a position which he held from 2006 until his retirement from judicial office in 2018.

He is the current Lieutenant-Governor of Western Australia and has served as a Chair and Board member of numerous professional, not-for-profit and government organisations during his lengthy legal career.



He has passionately followed football in Western Australia throughout his life and made an immediate impact in his first year as a WAFC Commissioner.

HON. Cheryl Edwardes AM has been appointed as Vice Chairman and is joined on the Board of Commissioners for 2020 by Amber Banfield, who was elected to the vacancy created by Mr McHenry's departure at the end of the year.

The WAFC thanks all of the WAFC Commissioners for the important voluntary contribution they make to guiding the future success of WA Football.



A handwritten signature in black ink, appearing to read 'Gavin Taylor'.

Gavin Taylor
Chief Executive Officer,
West Australian Football Commission



2019 WA FOOTBALL LEADERS

District Football Development Council



Paul Donovan
Chair
Claremont



Geoff Wolfenden
Chair
East Fremantle



Shaun Hughes
Chair
East Perth



Brett Lee
Chair
Peel



Sean Collingwood
Chair
Perth

Regional Football Development Council



Justin Tarasinski
Chair
Goldfields



Terry Eaton
Chair
Great Southern



Milton Milloy
Chair
Midlands



Craig Parkin
Chair
Midwest



Paul Coombes
Chair
Pilbara



Mark Blakely
Chair
South West



Craig Gmeiner
Chair
Wheatbelt

West Australian Football League



Grant Povey
President
Claremont FC



Mark Stewart
President
East Fremantle FC



Bronte Howson
President
East Perth FC



Bob Ryan
President
Peel Thunder FC



Bob Shields
President
Perth FC



Peter Christie
President
South Fremantle FC

WAFC Board of Commissioners



Murray McHenry
WAFC Chair, Facilities
Committee Chair, WA Football
Hall of Fame Selection
Committee Chair
Appointed to WAFC Board
2010-2012, 2013-2015, 2016-2018, 2019



Stuart Love
WAFC Deputy Chair, Finance
Committee Chair, Facilities
Committee
Appointed to WAFC Board
2013-2015, 2016-2018, 2019-2021



Chris Cottier
Aboriginal Advisory Committee
Chair, Football Affairs
Committee
Appointed to WAFC Board
2018-2020



Grant Dorrington
BEM OAM
Heritage Committee Chair,
Aboriginal Advisory Committee,
Football Affairs Committee,
Facilities Committee
Appointed to WAFC Board
2015-2017, 2018-2020



Stephen Goodall
Chair
South Fremantle



Lincoln Rollo
Chair
Subiaco

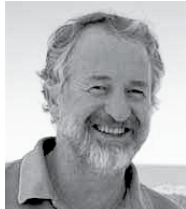


Ian Westmore
Chair
Swan Districts



Chris Erikson
Chair
West Perth

Kimberley Football
Association



Geoff Davis
Chair

Perth Football
League



Sam Birmingham
President

West Australian
Country Football
League



John Shadbolt
President

Metro Football
League



Rowan Carson
President

West Australian
Women's Football
League



Carolyn Hills
President

West Australian AFL
Masters



Nathan Dixon
President



Mark Lawrence
President
Subiaco FC



Peter Hodyl
President
Swan Districts FC



Neale Fong
President
West Perth FC

Fremantle Football
Club



Dale Alcock
President

West Coast
Eagles



Russell Gibbs
Chairman



**Hon. Cheryl
Edwardes AM**
Corporate Governance
Committee Chair,
Facilities Committee
Appointed to WAFC Board
2016, 2017-2019



**Hon. Wayne Martin
AC QC**
Risk & Governance Committee
Appointed to WAFC Board
2019-2021



Brian O'Donnell
Football Affairs Committee
Chair, Corporate Governance
Committee
Appointed to WAFC Board
2018-2020



Neil Randall
Finance Committee, Football
Affairs Committee, WA Football
Hall of Fame Selection Committee
Appointed to WAFC Board
2012-2013, 2014-2016, 2017-2019

SETTING THE DIRECTION FOR THE WAFC AND FOOTBALL INDUSTRY IN WESTERN AUSTRALIA

VISION **Connecting and enhancing WA communities through our great game**

PILLARS

ENGAGEMENT

More people are engaged in footy than with any other sport in WA.

TALENT

WA is recognised as best practice in talent identification and player development.

SUSTAINABILITY

WA clubs and competitions are well-governed, operate with integrity and are sustainable.

GOALS

WHAT ARE WE TRYING TO ACHIEVE?

- E1** Introduce all WA children to football
- E2** Increase the number of players who choose to continue to play football
- E3** Support all types of participants, including volunteers and fans
- E4** Deliver measurable community benefits through football
- E5** Maintain a quality State league competition

- T1** Increase the number and quality of AFL draftees
- T2** Ensure retention of talented players within WA football system
- T3** Ensure career pathways for talented coaches, umpires and administrators

- S1** Support the ongoing success of our AFL clubs
- S2** Ensure all parts of football have a sustainable business model
- S3** Improve the quality of governance
- S4** Build the capacity of staff and volunteers
- S5** Ensure football is supported through appropriate and quality facilities
- S6** Ensure effective integrity measures are in place

KPIs

HOW WILL WE MEASURE SUCCESS?

- Total participation
- Club participation
- Participant satisfaction
- WAFL competitiveness
- Social return on investment

- Total AFL draftees
- Total AFLW draftees
- AFL & WAFL club talent perception
- Umpire & coach pathway progression

- WAFC cash balance
- Annual governance review
- % of funding from commercial sources
- # of WAFL clubs with positive annual cash balance
- Board & Executive diversity target
- Employee satisfaction and capability result
- HSE internal compliance

STRATEGIES

AT THE WEST AUSTRALIAN FOOTBALL COMMISSION WE VALUE:

OUR PEOPLE | OUR RELATIONSHIPS | BEING OUR VERY BEST | LEADING OUR INDUSTRY

KEY PROJECTS

WAFC Future Home

The WAFC was allocated a 3000sqm area of land to return to Subiaco in the future as part of the Subi-East redevelopment – an exciting step for WA Football towards guaranteeing a long-term home back in Subiaco.

Securing a long-term home at Subiaco has been a key priority for the WAFC, which looks forward to planning a new facility for WA Football at its spiritual home, to provide the best possible facilities for WA's male and female talent academies, football development and local footy for many generations to come.

The WAFC will engage with the State Government, City of Subiaco and local stakeholders to explore the many exciting development opportunities on the site for the future, including possible commercial partners to ensure the new facility space is self-funded and sustainable.

The WAFC relocated to Tuart College in 2019 for the duration of the Subiaco Oval redevelopment. Tuart College provides a suitable short-term solution with office space, playing fields and an indoor gymnasium to accommodate football development programs, training activities and administration staff.

The temporary move to Tuart College is part of the WAFC's overall funding and accommodation agreement with the State.

Women in Football Advisory Committee

The West Australian Football Commission established a new Women in Football Advisory Committee to guide and support the growth and development of female football in Western Australia.

Women's football is experiencing an exciting period of growth, driven by the success of the AFLW and WAFLW, and a greater focus on female talent and community pathways.

The number of female participants has more than tripled over the last five years to 109,647 and women and girls now account for a third of participants in WA.

The Women in Football Advisory Committee will play an important role in helping to shape the involvement of women and girls in football for generations to come both on and off the field.

The members of the new Committee include Cheryl Edwardes (Chair), Michelle Cowan (Deputy Chair), Kasey Ball, Adil Cader, Simone Hansen, Carolyn Hills, Nicola Johnson, Michael Littleton, Sophia Nimphuis, Sharon Ninnette, Kimberley Wynhorst and Linda Hamersley (Executive Officer).

This Committee will guide the development of a Strategic Action Plan for women in football in WA and provide the WAFC with ongoing strategic and practical advice.

The Women in Football Advisory Committee



Social Return on Investment

The WAFC launched the most comprehensive study ever into the economic and social benefits of local football to the WA community.

Completed by ACIL Allen, the report assesses the social and economic impact of club-based football in WA and provides a measurement tool that will enable the WAFC to track social impact on an annual basis.

In an industry-first, the report uses club-based participation as the key metric to quantify the social returns of the entire industry, which identifies that the broad range of community benefits from WA football include:

- ▶ Every dollar spent by club-based football in WA creates **two dollars of economic activity**.
- ▶ WA footy generates over **\$220 million in economic benefits** to WA.
- ▶ \$110 million is spent directly, including almost **\$16 million on supplies and services**.
- ▶ For every person employed by football directly, **another job is created** in the community.
- ▶ In total, the equivalent of more than **1,400 full time jobs** are generated by football across WA.

With the people employed by football directly also spending their money locally, the jobs created by football extend even further.

This creates jobs in industries as diverse as health, catering, cleaning, photography and grounds management.

Club-based footy generates an additional \$225 million in social benefits to the community each year.

The research shows that being part of a footy club provides participants with the equivalent of \$3,000 worth of social benefits in areas such as mental and physical health and personal well-being.

Football is a sport that connects communities like no other, with 22 players and their families and friends interacting as part of the same team each week.

Participants are physically active for almost three hours per week each year – even more than the 150 minutes recommended by the Heart Foundation.

Social Return Case Study

May Huang doesn't have much of a footy background. When she began working with migrant and refugee students at North Lake Senior Campus she quickly saw a place for AFL in their lives.

"For me it was very simple," May said, "If you live here and work here you have got to play or know about footy, it's one of the best ways to assimilate. Once students start working that's when they can start a conversation – it's about footy."

Students at the Intensive English Centre (IEC) at North Lake took part in a game. It was in part chaotic, intense, funny and thrilling – just like most games of footy.

A group of young men from the school asked about playing for a footy club. They joined Fremantle CBC. Soon Michael, John, James Jonathan, Patrick and Mohammad were training, getting to know the game in a different way, learning to be part of a footy club and being included in Australian culture – playing in CBC's Colts team.

At Fremantle CBC's club champion evening, the boys were called to the stage for a special presentation. The club had raised enough funds to buy a car so that they could get to footy training together. And there was more. John Kuch has not seen his parents for four years and the club raised enough for a return airfare to South Sudan to enable a reunion.

"I will never be able to repay the people at Freo (CBC). All I can do is to be a good person at the club and improve my footy. I am so grateful for what they did," John said.





Reconciliation Action Plan

The 2017-2019 WAFC Reconciliation Action Plan (RAP) was developed by the WAFC Aboriginal Advisory Group with significant input from Aboriginal community members and football representatives, to set a clear vision for building stronger relationships with Aboriginal people and communities across WA.

The RAP builds upon more than 50 programs and events that are run each year under the WAFC Aboriginal Football Program in partnership with community and government organisations.

Since the launch of the RAP in 2017, 34 of the 44 strategies outlined have been achieved. These have included the growth of NAIDOC Round to an all of industry focus, increased Community Club Participation by 13%, the successful transition to AFL level of a number of Aboriginal players from WA, stronger partnerships with Wirrpanda Foundation, Clontarf and Spartan, the establishment of a RAP Working Group, 'Walking Together' cultural education sessions, and stronger partnerships with AFL Clubs and State Academies around KickStart programs.

Moving forward, the WAFC will be developing its 'Stretch RAP' in 2020 and intends to place a greater focus on staff engagement in NAIDOC Week activities, conduct a review of People & Culture policies to drive more Aboriginal employment, and engage WAFL Clubs and Affiliate leagues to partner in delivering strategies.

Kimberley Football Strategy

In December 2019, the WAFC, AFL, Fremantle Dockers and key Kimberley football stakeholders visited Broome and Fitzroy Crossing to collaboratively plan a Kimberley Football Strategy. This will allow the Commission to better deliver football and the many community benefits associated with our game in the region.

The basics discussed throughout trip, which included a visit from AFL CEO Gillon McLachlan and Head of Game Development Andrew Dillon, included safe transport to games, suitable facilities for all participants and a collaborative approach for servicing and supporting the region.

The WAFC looks forward to building on this very positive initial workshop knowing that football plays such a positive role in connecting and enhancing communities across the region.





WAFL Consumer Research

In 2018 the WAFC undertook a detailed research project with Metrix into the WAFL consumer. The key outcome of this project identified the family segment as the WAFL's biggest marketing opportunity.

Using the research data to drive the 2019 Marketing Strategy resulted in a greater focus on 'family' with the key messages 'kids go free' and 'kick to kick'.

The promotion of fixtures commenced earlier in the week to allow more time for families to plan their day at the football, and included more one-stop information about ticketing, parking, amenities, food and beverage options.

EFTPOS was introduced as a payment option at all WAFL grounds and the WAFC worked with clubs to implement consistent gate and directional signage at all venues.

The WAFC will continue working with WAFL clubs in 2020 to further promote WAFL fixtures and enhance the match-day experience for fans.

Governance Reform

Work continued in 2019 on implementing the WAFC's new junior competition management structure, with nine District Football Development Councils (DFDCs) being streamlined into three Regional Development Councils (RDCs).

The objective is to improve and simplify WA Football's governance structure, deliver higher quality and more consistent community competitions, with more support for volunteers to grow the game.

The new governance model aligns to the WAFC staffing structure that delivers football development and competition management across the Perth Metropolitan Area.

The new RDCs report directly into the WAFC Football Affairs Committee, providing Community & Junior Club Football with a clear and direct voice to the WAFC Board.

Football Facilities

Football facilities are absolutely vital in enabling lifelong participation in football.

In order to plan and cater for the growth in WA Football participation, and particularly female participation, the WAFC maintains an audit of 344 football facilities across WA's regional and metropolitan districts.

In some areas, the participation growth and demand for playing space requires night matches to be played as the only time ovals are available for use. This has resulted in match lighting becoming an increased priority, including training flexibility based on floodlit ovals.

There are currently 59 facilities that are female-friendly, with the majority of other venues not including divided or lockable showers.

Club Football participation by females has grown by 235% since 2016 and it is important to ensure all new football participants enter positive, welcoming and fun environments.

To achieve this goal, the WAFC will soon release a WAFC Facilities Strategy 2020 – 2030 to drive facility investment and guide priorities into the future.

This Strategy will outline the key needs for improvement across WA and how the WAFC will go about achieving facility outcomes over the 10 years.



ENGAGEMENT

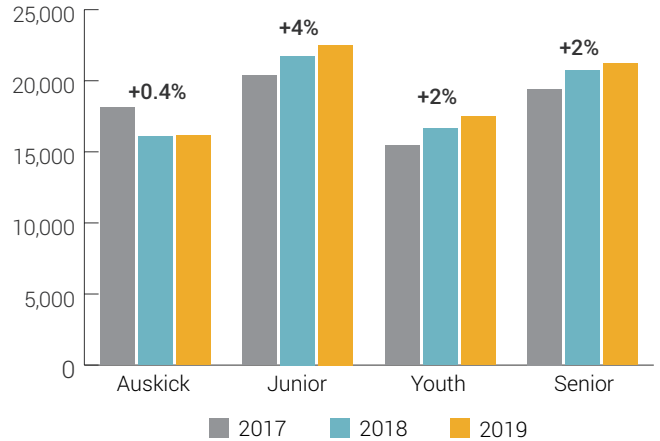
GOAL: MORE PEOPLE ARE ENGAGED IN FOOTY THAN WITH ANY OTHER SPORT IN WA.

Key Performance Indicators

Measure	2017	2018	2019
Total Participation	330,001	342,433	346,729
Club Participation	66,750	68,575	66,688
Participant Satisfaction	46%	48%	45%
Social Return on Investment	N/A	Metrics Finalised	\$2.16*
WAFL Competitiveness (average winning margin)	37	40	32

* Every dollar spent by club-based football in WA creates \$2.16 of economic activity.

Community Club Growth



2019 Participation Summary



Club Participation

Club based participation is a key indicator for the WAFC and WA Football industry, and is an area where there has been a significant reset in terms of importance and applied resources to reinvigorate growth. The WAFC has strategically focused on Community Club participation through the inclusion of the following strategies:

- ▶ Friday Night Football,
- ▶ Youth AFLX Competitions (as a retention and transition strategy),
- ▶ 15 a-side Youth Competitions to assist transition and retention in the lower end of youth,
- ▶ Year 11/12 competition (and repositioning and rebranding of the competition),
- ▶ Early Registration Strategy,
- ▶ Youth Football Working Group Recommendations.

The WAFC remains conscious that the significant focus on Community Club Football must be carefully balanced with a continued School Football participation strategy to ensure this important avenue for introducing new participants to the game is maintained.

In 2020, the WAFC will be delivering a new Junior Competition structure which will see additional support and staff for junior football.

The nine District Football Development Councils (DFDC's) have now been streamlined into three Regional Development Councils (RDC's) with a clear strategic focus and remit, as part of an objective to simplify the governance structure in community football.

The WAFC would also like to congratulate the Fremantle CBC Amateur Football Club who recently were awarded the prestigious RAC Insurance Beyond Sport Award – John Gilmour Medal for the outstanding work that they do in and around their community.

They were recognised for their work in introducing multicultural participants into their club, and also for the leadership in the integrated football space.



Participant Satisfaction

The WAFC annually undertakes a Participant Satisfaction survey that looks at all aspects of a person's involvement in the game. In 2019 the Participant Satisfaction result was 45% (a drop of 3% from 2018).

The WAFC is currently analysing the results further, however the survey identified five key areas that are key for success which included:

- ▶ Providing a Positive and Safe Football Environment
- ▶ Quality of Umpires
- ▶ Quality of Coaches
- ▶ Retaining Players in Community Football
- ▶ Attracting New Players to the Game

Total Participation

Total Participation in 2020 grew to 346,729 (+1.5% growth) which was driven by overall increases in female participation, school programs and youth participation.

Female Participation grew to 109,647 participants, a growth of 14%, which continues to emphasise the strength of this game segment.

All female segments of the game grew in 2019 highlighted by Auskick (+4.33%), Junior Club (5.89%), Youth Club (14.56%), Senior Club (7.78%) and School Programs (19.90%).

The female pathway was also strengthened by the introduction of a WAFL Women's competition in 2019, and will be further supported by the introduction of the West Coast Eagles team into the AFLW competition in 2020.

School Programs also continued to grow and the WAFC would like to acknowledge the AFL School Ambassadors that play a significant role of promoting football through their community, and also thank the Fremantle Football Club and the West Coast Eagles for their ongoing support and partnership of the WAFC School Programs.

Youth participation again showed positive signs with a further 2.4% growth year on year to reach 16,950 participants. In 2019, the WAFC introduced a new Year 11/12 competition that was a real catalyst for this growth.

This competition provides a clear participation pathway for youth aged participants within football. The WAFC is looking to further build on the Youth Football Recommendations that have been delivered over the past three years to continue to grow this important segment of the game.



Meet Volunteer of the Year John Sobolewski

WA Football volunteer John Sobolewski was recognised for his significant contribution and work inside the Subiaco District to be awarded the 2019 Optus Volunteer of the Year Award from more than 750 nominations.

Sobolewski was presented the award at the WAFL's Sandover Medal night at Optus Stadium, with the loyal operator beating out 1500 nominees to receive a trip for two to the AFL Grand Final.

Mr Sobolewski, who is Sorrento Duncraig Junior Football Club President, made a significant contribution to junior football in 2019 from attending Auskick matches every Saturday morning, to dealing with day to day issues, helping set up for Sunday games early in the morning and coaching a modified side.

His efforts were further matched by the fact that he manages one of the biggest clubs in the Subiaco District on top of his normal work commitments.

He has been a fantastic President for advocating for the spirit of game by-laws and practices. In 2018 he led the club to win the champion club award for Subiaco district for best administration, development and game day environment.

The leadership that Mr Sobolewski has shown over a long period of time has put the Sorrento Duncraig Junior Football Club in a great position moving into the years ahead.

He is great ambassador for the game of AFL, his club and the Subiaco District, and continually finds new ways to develop and support not only his own club but the district and region as a whole.

WAFL COMPETITION

2019 introduced an exciting new era of the WAFL, launching Optus as the new naming rights partner to the competition, the addition of West Coast as the 10th WAFL side plus the introduction of the newly formed WAFL Women's competition.

Subiaco Football Club's back-to-back Premiership success was the highlight of the 2019 Optus WAFL Premiership Season.

Optus Stadium provided the perfect stage for a trio of thrilling Grand Finals, with West Perth claiming the Reserves Premiership, while Claremont pipped Peel in the Colts Final.

The Lions lost just the one fixture throughout 2019 and continued their dominant display in the Grand Final against South Fremantle to win back-to-back League Premierships.

Lachlan Delahunty capped off a stellar year for the Subiaco side, winning the Sandover Medal from fellow Lion Kyal Horsley.

The West Coast Eagles successfully entered the competition as a stand-alone team, finishing fourth during the home-and-away season.

The WAFL State game was a closely fought affair at Optus Stadium against the SANFL, with the home team going down by nine-points.



Josh Deluca

Key Statistics

- ▶ 182,212 total attendance (-0.4%)
- ▶ 887,180 TV viewers (-11%)
- ▶ 584,554 website users (+12%)
- ▶ 54,017 social media followers (+28%)
- ▶ 36,879 App users (+18%)



Lachlan Delahunty



Josh Deluca was adjudged best on ground for Western Australia, claiming the Simpson Medal.

The average winning margin of 32 points over the course of the season was the lowest since 2010, with 15 matches decided by one goal or less.

The WAFL's average weekly TV audience across WA remained steady, totalling at 887,180 for the season, including the Simply Energy Colts Grand Final and inaugural WAFLW Grand Final.

Overall attendance at WAFL games totalled 182,212, including 18,650 at the Optus WAFL Grand Final at Optus Stadium.

WAFL Clubs and the WAFC developed a community engagement strategy to build deeper connections with the local community and focus on family fun with match-day activations. Work on this strategy will continue in 2020.

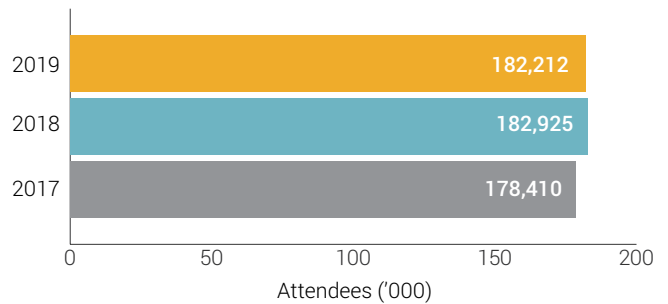
Four players were selected out of the WAFL competition in the AFL Mid-Season Draft, with Josh Deluca (Carlton), Jack Mayo (St Kilda), Dillon O'Reilly (Fremantle) and Marlion Pickett (Richmond) all finding new homes into the season.

Pickett became the fairytale story of the AFL season, making his debut for the Tigers in the 2019 AFL Grand Final, culminating in a Premiership medal.

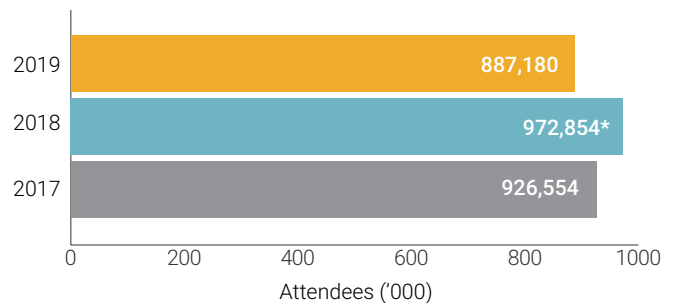
While Optus became the new naming rights partner of the WAFL, Bupa became a supporting partner alongside KIA, TAB Touch and Simply Energy. The success of the WAFL competition wouldn't be possible without the continued support of its partners.

WAFL Summary

Cumulative Attendance

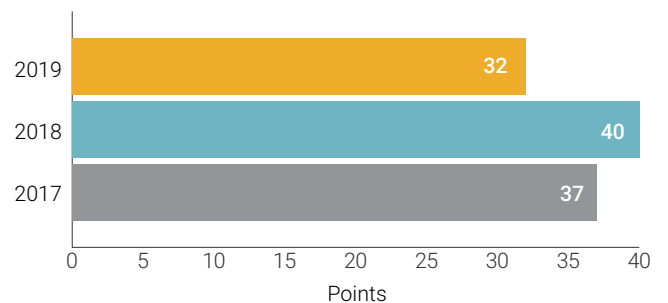


TV Audience



*Inclusive of Colts Grand Final

Average Winning Margin



WAFLW COMPETITION

The WAFL Women's competition was launched in 2019, with five teams vying for the inaugural Optus WAFLW Premiership over a 15-round season.

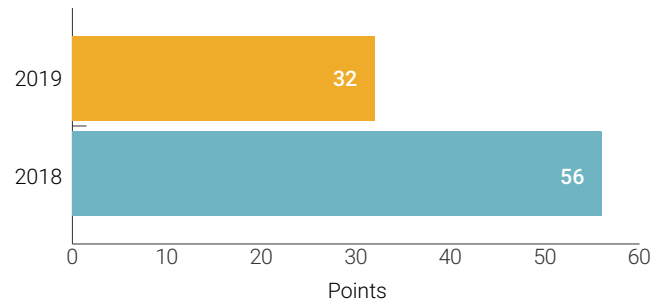
East Fremantle claimed the first WAFLW Premiership with a 26-point victory over Swan Districts at Mineral Resources Park in front of 3,333 fans. Fremantle Dockers' AFLW player Gabrielle O'Sullivan took out the Lou Knitter Medal for best on ground.

The competition saw the best players from around Western Australia compete, including AFLW athletes from both Fremantle and the West Coast Eagles.

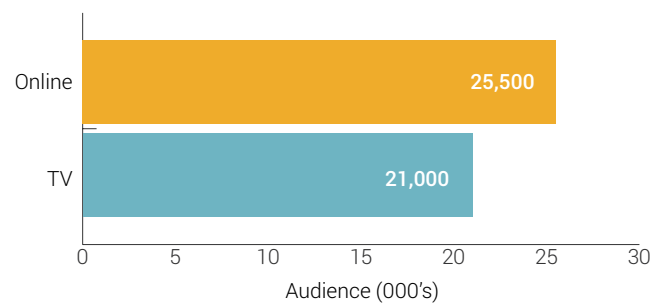
A clear female talent pathway was developed with the implementation of the competition, seeing 17 players drafted out of the WAFLW over a 12-month period.

West Coast Eagle Danika Pisconeri and Fremantle Docker Hayley Miller shared the inaugural Dhara Kerr Fairest & Best Award at the season-end WAFLW Awards Night.

Average Winning Margin



TV & Online Audience





WAFLW inaugural season highlights

- ▶ 17 games streamed live on WAFL Facebook and You Tube with more than 25,000 viewers
- ▶ Grand Final match played at Mineral Resources Park, attended by over 3,300 fans and broadcast on Channel 7 with an audience of 21,000 viewers
- ▶ \$10,000 Grant awarded by Optus to the premiership team
- ▶ Average winning margin reduced from 56 points (WAWFL) to 27 points (WAFLW)
- ▶ Foundation commercial partners Optus, Bupa, West Coast Eagles and Fremantle Football Club



TALENT

GOAL: WA IS RECOGNISED AS BEST PRACTICE IN TALENT IDENTIFICATION AND PLAYER DEVELOPMENT.

Key Performance Indicators

Measure	2017	2018	2019
Total AFL draftees	20	12	19
Total AFLW Draftees	15	12	11
AFL & WAFL Talent perception	N/A	66%	70%
Umpire and coach Pathway progression	N/A	12 umpires* 418 coaches^	14 umpires* 402 coaches^

*WA umpires progressed to AFL Talent Pathway

^Level 2 & 3 accredited

AFL Draft

19 WAFL players were selected in the 2019 NAB AFL National and Rookie Draft, which included first round selections Luke Jackson, Liam Henry and Mitch Georgiades. Four players were selected in the AFL Mid-Season Draft – Josh Deluca to Carlton, Jack Mayo to St Kilda, Dillon O’Reilly to Fremantle and Marlion Pickett to Richmond.

Key Statistics

- ▶ 19 WA players selected in the 2019 AFL Draft
- ▶ 11 WA players selected in the 2019 AFLW Draft
- ▶ Six WA State 18s players named All-Australians, plus coach Peter Sumich
- ▶ Four WA players selected in the 2019 AFL Mid-Season Draft



Luke Jackson

2019 AFL National Draft

3	Luke Jackson (East Fremantle / Bullcreek-Leeming)	Melbourne
9	Liam Henry (Claremont / Christ Church)	Fremantle
18	Mitchell Georgiades (Subiaco / Hale School)	Port Adelaide
22	Deven Robertson (Perth / Aquinas College)	Brisbane
27	Jeremy Sharp (East Fremantle / Aquinas College)	Gold Coast
32	Trent Rivers (East Fremantle / Bullcreek-Leeming)	Melbourne
36	Elijah Taylor (Perth / Thornlie)	Sydney
39	Chad Warner (East Fremantle / Aquinas)	Sydney
42	Ronin O'Connor (Claremont / Marist)	Adelaide
49	Callum Jamieson (Claremont / North Beach)	West Coast
55	Trey Ruscoe (East Fremantle / Aquinas)	Collingwood
58	Ben Johnson (West Perth / Whitford)	West Coast
59	Jaxon Prior (West Perth / Sorrento – Duncraig)	Brisbane
62	Riley Garcia (Swan Districts / Caversham)	Western Bulldogs

Rookie Draft

6	Jarvis Pina (Peel Thunder / South Mandurah)	Fremantle
8	Jake Pasini (Swan Districts / Caversham)	Port Adelaide
11	Anthony Treacy (Claremont / Cable Beach)	West Coast

Category B Rookies

	Leno Thomas (Claremont / Belmont)	Fremantle
	Isaiah Butters (Claremont / Christchurch)	Fremantle

Mid Season Draft

1	Josh Deluca (Subiaco / Sorrento – Duncraig)	Carlton
8	Jack Mayo (Subiaco / Carine)	St Kilda
11	Dillon O'Reilly (East Fremantle)	Fremantle
13	Marlion Pickett (South Fremantle)	Richmond

Pre-season supplemental selections

	Zac Clarke (Subiaco)	Essendon
	Sydney Stack (Perth / Federals)	Richmond

Roxanne Roux and Mim Strom



AFLW Draft

2019 AFLW National Draft

12	Roxanne Roux (East Fremantle)	Fremantle
19	Imahra Cameron (Swan Districts)	West Coast
21	Mim Strom (Swan Districts)	Fremantle
35	Ann McMahon (East Fremantle)	Fremantle
39	Sophie McDonald (Claremont)	West Coast
51	Emma O'Driscoll (Swan Districts)	Fremantle
56	Tarnee Tester (Subiaco)	West Coast
66	Sarah Garstone (Claremont)	Fremantle
70	Katherine Orme (Claremont)	West Coast
81	Janelle Cuthbertson (Perth Angels)	Fremantle
85	Bianca Webb (Swan Districts)	Fremantle

Pre-Signed Players

	Lindal Rohde (Subiaco)	Fremantle
	Mikayla Bowen (Swan Districts)	West Coast
	Rosie Deegan (Subiaco)	West Coast
	Emily Bonser (Claremont)	West Coast
	Beatrice Devlyn (Subiaco)	West Coast
	Danika Pisconeri (Subiaco)	West Coast
	Emily McGuire (Swan Districts)	West Coast
	Ashton Hill (East Fremantle)	West Coast

Larke Medallist and WA MVP
Deven Robertson



National Championships

The Simply Energy WA State 18s captured a National Championship for the first time in a decade, defeating Vic Country in the final game with a goal after the siren. WA Captain and Perth Midfielder Deven Robertson claimed the Larke Medal and WA MVP.

In the AFLW State 18s Championships, WA enjoyed three victories from five-matches. Mikayla Bowen was named MVP and one of three All-Australians from WA.

The WA State 16s claimed one victory from their three matches at the NAB AFL 16s Championships, with Blake Morris finishing as WA's MVP.

Gabby Simmonds



Coaching

More than 4000 accredited coaches were involved in WA Football in 2019, with 3028 renewing their accreditation and 1794 new coaches completing accreditation courses.

There were 996 new junior coaches, 391 new youth coaches and 407 new senior coaches.

The first State League and Talent Level 3 High Performance Coach course was held in Perth, seeing the number of Level 3 accredited coaches increase from 30 in 2018 to 50 in 2019.

Umpiring

Western Australia continued to develop quality umpires from the WAFL Junior District Program into the WAFL Development Academy Program and through to the AFL Talent Pathway.

In 2019, 14 WA umpires were involved in the talent pathway, with a further 14 listed on an AFL Senior List.

A State Umpiring Conference was held with umpires from around the state and an all-of-umpiring Cultural Charter was developed, setting a clear purpose and vision for Umpiring in WA over the next 10 years.

Cam Douglas was appointed as Community Umpiring Coordinator and umpiring educational trips were taken to the Kimberley, Pilbara and Great Southern. Dan Johansen was elevated to the AFL senior list and Gabby Simmonds became the first ever female field umpire to officiate at WAFL League level.

AFL U16s Championships

Blake Evans, Jason Gibb, Mason Zappavigna, Lleyton Jose, Luke Caifano

AFL U18s Championships

Louis Jago, Luke Graves, Chad Smith

AFLW U18s Championships

Gabby Simmonds, Nic Shaw, Jon Nolan, Chloe Wright

AFL Rookies

Trent McPhee, Dan Johanson, Sam Hunter

AFL Senior Umpires

Jeff Dalglish, Brett Rosebury, Justin Power, Nathan Williamson, Dean Margetts and Dan Johanson, Nathan Doig, Josh Garrett, Brett Dalglish, Sean Moylan and Adam Bastick, Brett Rogers, Luke Edwards and Sally Boud

Simmonds creates Umpiring history

WA football history was made in 2019 when Gabby Simmonds became the first female field umpire to officiate a WAFL league fixture.

Simmonds' tale to umpiring began early in her career, taking up the profession as a way to stay within football.

"I got into umpiring as a way to keep involved in the game after playing Auskick when I was younger," she said.

"There weren't any junior girls' teams in my area, so I decided to give umpiring a go."

"There is a strong pathway for females now in umpiring across all the disciplines."

"The opportunities that are available are constantly growing and the growth of female football has added to that. The group in the WAFL is very diverse and the number of females involved now shows there is definitely opportunity for females to reach their full potential."

Simmonds was joined at Leederville Oval on Friday, August 16, by Chloe Wright who made her League debut as a goal umpire.

The duo became the first pair of women to umpire a WAFL League game, taking an important step forward for WA umpiring.

SUSTAINABILITY

GOAL: WA FOOTBALL CLUBS AND COMPETITIONS ARE WELL-GOVERNED, OPERATE WITH INTEGRITY AND ARE SUSTAINABLE.

Key Performance Indicators

Measure	2017	2018	2019
WAFC Cash Balance	\$18.6M	\$15.3M	\$14.7M
Annual Governance Review	N/A	Complete	* Due November 2020
% of Funding from Commercial Sources	15%	16%	16%
WAFL Clubs with Positive Annual Cash Balance	8	8	9
Board & Executive Diversity Target	N/A	1/15	1/15
Employee Satisfaction and Capability	83%	80%	**58%
HSE Internal Compliance	Complete	Complete	Complete

* Risk & Governance Committee moved to biennial performance review, in line with DLGSC recommendations.

** Moved from Employee Satisfaction survey to Staff Engagement survey.

2019 FINANCIAL OVERVIEW

The WAFC's 2018-2019 result shows an operating profit of \$802,414, with total comprehensive income of \$4,572,077. Extraordinary items total \$3,769,663 and relate to the forgiveness of the ANZ debt, loss on transfer of investment properties, repayment to West Coast Eagles of rent received in advance and the sale of stadium assets.

The net decrease in cash for the year was \$553,167 due to an investment in working capital of \$1,237,634, leaving \$696,375 positive cash contribution from operations for the year.

The audit for 31 October 2019 financial report has been completed with the auditors, with EY providing an unqualified opinion.

The net decrease in cash on hand for the year was largely due to a balance of \$4.0m was still owing for the 2018 and 2019 Royalty amounts as at 31 October 2019. The Royalty revenue recognized in the 2019 profit is \$5.1m, which includes a discount on the deferred royalty of \$0.35m (\$0.20m from 2018 and \$0.15m in 2019).

Also included in the 2019 profit result is Subiaco stadium costs incurred up to early July, at which point the venue was handed back to the State Government.

2019 was a significant year of transition for the WAFC. The overall operating loss for WAFC was attributed to a series of circumstances, which can be summarized below:

- ▶ Overall costs of launching and operating the inaugural WAFL Women's competition with 5 teams competing.
- ▶ West Coast Eagles entering the WAFL competition, creating a 10-team competition.
- ▶ Undertaking the review, then launching the Social Return on Investment Report.
- ▶ Legal costs of changing the WAFC Governance Model and finalising State Government Agreements
- ▶ Finalising arrangements at Subiaco and moving WAFC to Tuart College.
- ▶ Maintaining operations of Subiaco Oval for a 9-month period
- ▶ Changing the way the WAFC manages honorarium payments
- ▶ Launching and operating the Futures 16s competition in the WAFL Talent pathway.
- ▶ WAFC settling into its new, primarily fixed revenue model.

In WA football we have a unique football partnership that connects our AFL Clubs to grass roots football through the WAFC's integrated football economy. The WAFC would like to acknowledge our two AFL Clubs for the financial support and contribution they make to WA football. The total investment from our AFL Clubs in 2019 totals over \$6m through their royalty contribution, investment in and support of the WAFL, schools and importantly, the launch of the WAFLW competition in 2019.

Income		Expenses	=	Ordinary Net Profit	+	Net gain on sale of Stadium assets	=	Net Profit
\$31.68m	-	\$30.88m		\$0.80m		\$3.77m		\$4.57m

Net cash used in operating activities	+	Cash from investing activities	+	Cash invested in working capital	=	2019 Cash Result
\$0.7m		(\$0.01m)		(\$1.24m)		(\$0.55m)

Outlined below is a summary breakdown of the financial results of the WAFC.

Expenditure	\$30.75 million Operational expenses, excluding depreciation	Investment in Football	\$24.6 million 6.3% increase in investment from prior year	AFL & AFL Clubs	\$12.33 million This includes revenue from WCE & FFC Royalty; AFL Grants; WCE & FFC Community Sponsorship
Expenditure	\$1.68 million Net investment in Talent Development	Commercial	\$4.94 million Financial support received from sponsorship and commercial partners	Cash Result	(\$541,260) Net cash used in operating activities

Statements of Comprehensive Income 2019

For the year ended 31 October 2019

	Note	Consolidated		WAFC Inc	
		2019 \$	2018 \$	2019 \$	2018 \$
Revenue	4	157,605,137	153,235,969	20,471,312	20,618,773
State funding income in advance ⁽ⁱ⁾	4	11,207,000	10,947,000	11,207,000	10,947,000
Cost of goods and services provided	5	(46,586,104)	(45,261,681)	-	-
GROSS PROFIT		122,226,033	118,921,288	31,678,312	31,565,773
Administration expenses		(26,618,955)	(23,292,535)	(2,341,477)	(2,349,361)
Marketing expenses		(6,859,666)	(6,586,907)	(1,235,550)	(1,091,410)
Corporate expenses		(2,111,678)	(2,043,058)	(1,222,548)	(1,188,180)
Borrowing costs expensed	5	(137,929)	(203,124)	(137,929)	(203,124)
Football expenses		(66,278,121)	(65,242,758)	(12,687,056)	(12,546,934)
Development expenses		(10,406,182)	(9,308,941)	(10,406,182)	(9,308,941)
Facility expenses (ii)		(1,293,889)	(2,682,070)	(1,293,889)	(2,682,070)
Umpire expenses		(1,471,267)	(1,245,096)	(1,471,267)	(1,245,096)
Sundry Income		66,984	-	-	-
Unrealised profit/(loss) on investments		-	(88,435)	-	-
Facility and club development contribution		(80,000)	(70,000)	(80,000)	(70,000)
PROFIT FROM NORMAL OPERATIONS		7,035,330	8,158,364	802,414	880,657
OTHER INCOME/(EXPENSES) OUTSIDE NORMAL OPERATIONS					
Net Development Funding	4	13,086,140	3,330,000	-	-
Term loan forgiven	4	5,606,348	-	5,606,348	-
Loss on transfer of investment property	4	(1,260,000)	-	(1,260,000)	-
Subiaco lease finalisation	4	-	-	(666,644)	-
Net gain on sale of stadium assets	4	89,959	557,773	89,959	557,773
PROFIT BEFORE INCOME TAX		24,557,777	12,046,137	4,572,077	1,438,430
INCOME TAX EXPENSE		-	-	-	-
NET PROFIT ATTRIBUTABLE TO MEMBERS OF WAFC	21(g)	24,557,777	12,046,137	4,572,077	1,438,430
Other comprehensive profit/(loss)					
Fair value movement of available -for-sale investments		340,093	(56,315)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		24,897,870	11,989,822	4,572,077	1,438,430

(i) Amount relates to monies received on 31 October 2019 (prior year on 30 October 2018) from the State Government under the WAFC Funding Agreement relating to the 31 October 20 20 financial year (prior year relates to the 31 October 2019 financial year). As the amount was received prior to year-end although it represents funding for the 31 October 20 20 financial year (prior year 31 October 2019 financial year) accounting standards require it to be recognised as income in the current financial year.

(ii) The above result includes just over eight months of operating expenses associated with Subiaco Oval.

Statements of Financial Position

For the year ended 31 October 2019

	Note	Consolidated		WAFC Inc	
		2019 \$	2018 \$	2019 \$	2018 \$
CURRENT ASSETS					
Cash and cash equivalents	6	36,834,056	56,118,874	14,701,562	15,254,729
Trade and other receivables	7	8,681,218	10,130,112	9,019,661	7,311,512
Inventories	8	681,011	2,270,287	-	-
Other financial assets	9	35,392,362	32,700,110	42,556	101,482
Other receivables	10	33,750	584,376	33,750	84,376
TOTAL CURRENT ASSETS		81,622,397	101,807,009	23,797,529	22,755,349
NON-CURRENT ASSETS					
Other receivables	10	321,667	297,081	630,667	297,081
Other financial assets	9	-	-	2,110,946	2,110,946
Property, plant and equipment	11	76,407,192	19,057,520	168,134	192,552
Investment properties	12	1,744,230	3,004,230	-	1,260,000
Intangible assets	13	8,000,000	8,000,000	-	-
Other non-current assets	19	768,848	25,726,816	-	-
TOTAL NON-CURRENT ASSETS		87,241,937	56,082,397	2,909,747	3,857,329
TOTAL ASSETS		168,864,334	157,889,406	26,707,276	26,612,678
CURRENT LIABILITIES					
Trade and other payables	14	13,490,934	20,978,208	3,267,593	2,640,324
Unearned revenue	17	11,166,683	12,661,387	271,615	403,285
Interest-bearing liabilities	15	-	5,606,348	-	5,606,348
Provisions	16	7,557,159	7,213,570	1,402,035	1,197,520
TOTAL CURRENT LIABILITIES		32,214,776	46,459,513	4,941,243	9,847,477
NON-CURRENT LIABILITIES					
Unearned revenue	17	400,000	425,000	-	-
Other non-current liabilities	18	75,785	174,558	521,189	-
Provisions	20	1,612,723	1,167,155	117,863	210,297
TOTAL NON-CURRENT LIABILITIES		2,088,508	1,766,713	639,052	210,297
TOTAL LIABILITIES		34,303,284	48,226,226	5,580,295	10,057,774
NET ASSETS		134,561,050	109,663,180	21,126,981	16,554,904
ACCUMULATED FUNDS					
Accumulated surplus		127,576,110	108,222,554	15,860,753	16,554,904
Reserves		6,984,940	1,440,626	5,266,228	-
TOTAL ACCUMULATED FUNDS		134,561,050	109,663,180	21,126,981	16,554,904

Statements of Cash Flows

For the year ended 31 October 2019

		Consolidated		WAFC Inc	
	Note	2019	2018	2019	2018
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from operating activities		131,152,844	139,840,603	24,481,391	23,268,731
Payments to suppliers and employees		(156,531,636)	(146,502,273)	(30,495,784)	(30,956,625)
Interest and dividends received		1,815,934	2,320,361	182,656	237,062
Development funding and grants received		13,086,140	3,330,000	-	-
AFL distributions received		28,253,203	26,528,074	5,388,533	4,056,448
Borrowing costs paid		(98,056)	(142,828)	(98,056)	(142,828)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	6(b)	17,678,429	25,373,937	(541,260)	(3,537,212)
CASH FLOWS FROM INVESTING ACTIVITIES					
Redemption of term deposits		7,500	(1,554)	-	-
Purchase of property, plant and equipment		(2,435,211)	(1,972,450)	(107,355)	(219,101)
Payments for assets under construction		(32,760,409)	(19,129,755)	-	-
Proceeds from sale of investments		29,566,862	26,079,716	-	-
Purchase of investments		(31,977,560)	(16,755,550)	-	-
Proceeds from sale of property, plant and equipment		630,082	1,117,945	89,959	617,263
Provision of loan under financial assistance policy		(7,707)	(250,000)	(7,707)	(250,000)
Proceeds from repayment of loans receivable		33,750	59,167	33,750	59,167
Payment into WAFL Sustainability Fund		(20,554)	-	(20,554)	-
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES		(36,963,247)	(10,852,481)	(11,907)	207,329
CASH FLOWS FROM FINANCING ACTIVITIES					
(Repayment of)/proceeds from borrowings		-	(1,000,000)	-	-
Repayment of long-term debt		-	-	-	-
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES		-	(1,000,000)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(19,284,818)	13,521,456	(553,167)	(3,329,883)
Cash and cash equivalents at beginning of period		56,118,874	42,597,418	15,254,729	18,584,612
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6(a)	36,834,056	56,118,874	14,701,562	15,254,729



WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED FINANCIAL REPORT

For the Year Ended 31 October 2019

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CEO 2019 FINANCIAL SUMMARY

The financial year ended October 2019 was a momentous one for the WA Football Commission. The most significant event was the handing over of the Stadium lease to the State Government. Financially this was a turning point, as the WA Football Commission no longer carries the overhead costs of the Stadium. Also, the event of handing over the Stadium impacted the WAFC financial results for 2019 due to accounting for the removal of debt and assets from the WAFC balance sheet.

The financial result for the WAFC in 2019 is a profit of \$4.57m, which includes extraordinary one-off benefits and charges arising from the agreement with the State Government upon handing over of the Stadium. These one-off transactions in the financial accounts of the WAFC include:

- ▶ the removal of the ANZ debt of \$5.6m,
- ▶ the loss on handing to the State the three investment properties of (\$1.26m),
- ▶ a provision for repayment of rent received in advance from West Coast Eagles (as a tenant at Subiaco Stadium) of (\$0.667m), and
- ▶ the proceeds from the sale of stadium assets of \$89k.

Before the impact of these one-off accounting adjustments in the P&L for 2019, the WAFC had a profit of \$0.802m. Included in this is the royalty surplus of \$1.292m. Once removing the benefit of the surplus of \$1.292m, the WAFC had an effective operating loss of (\$0.490m) in 2019.

In December 2019 the new Royalty Agreement was finalised between both Clubs. The new agreement enables the WA AFL Clubs' financial performance to flow through to the WAFC and most importantly, to benefit WA

community football. Royalties received by the WAFC that exceed the pre-agreed contribution to WAFC operational costs are held in reserve for investment in community football development and the future home of football. The spend from the football development reserve is managed jointly by the WAFC with the contributing AFL Club, which was West Coast Eagles for 2019.

In 2019, the contribution made by our two AFL Clubs to WA Football was \$6.943m. This highlights the value and importance of having a truly connected and aligned football economy through investments and partnerships that ensures football remains the key sport that connects communities across WA.

The WAFC now operates with a mostly fixed revenue model; being State Government funding, AFL grants, and AFL Clubs contributions and royalties. Over the past few years there has been considerable focus on cost management across all operational areas to bring expenditure more in line with revenue. Now there is marginal to minimal opportunity to continue to reduce costs without impacting services, programs or strategic football outcomes. To ensure that the WAFC can continue to build its investments in strategic areas and initiatives, it is turning its focus to identifying further opportunities and assets to generate revenue.



As the WAFC increased its focus on football in 2019 it launched the WAFL Women's competition. There were five teams in the competition in 2019, and the WAFC took on the costs of managing a second State level competition. WAFC costs included data, videos, umpiring and other match day items, rules and regulations development, etc. Also, each WAFL Club or associated women's club, received financial support to invest in the development of the quality of their female football program, and with West Coast Eagles committing as a Foundation Partner and Fremantle Football Club as a sponsor, further financial support was provided to the five clubs participating in the WAFLW competition. Overall, the WAFC directly invested \$356k in women's football at the WAFL level, with further time and effort invested from the WAFL and marketing teams.

In 2018 the WAFC took over the management and financial obligations of the WAFL Talent pathway. In 2019 the financial contribution increased with the launch of the new Futures (16s) program. A more structured program increases the development opportunities for this group of young talent and requires increased spend by way of match day costs and umpiring. Plus, to drive better skills development, there was increased cost for support staff. Overall, in 2019 an extra \$441k was spent on the WAFL talent pathway.

Also, the WAFC finalised its review of honoraria payments to volunteers and implemented updated policies and process for the 2019 season. The outcome is that payment recipients are more appropriately protected, and payment values are more reflective of the role and the effort required. There has been a financial impact upon the WAFC of an overall increase in the all-inclusive cost for services from employees, contractors and volunteers.

In recognition of regional WA's significant contribution of talent to the WAFL and AFL, and the social importance of footy to communities in regional areas, the WAFC appointed a new executive role to focus on this key area for WA Football. Investment was also extended to existing resources and staff to be dedicated to country football. The WAFC increased investment in WA country football by \$150k in 2019.

Investment in the umpiring team and development of skills and talent continued in 2019, with an increased spend on the umpiring department of \$383k. With the AFL increasing its contribution to umpiring in WA, the WAFC's overall net investment increased by \$121k.

Whilst a focus on driving strategic reform and working through a challenging period of change across WAFC's finances there were still significant achievement across WA Football.

- ▶ Community Club based participation increased by 3.5%, the highest growth since 2015.
- ▶ Overall participation (AFL Census) grew to 346,749, with female participation at 109,647.
- ▶ Male youth football participation continued to buck the national trend by growing for the 3rd. consecutive year.
- ▶ WAFC restructure of the organisation to place a greater emphasis on regional football, talent and WAFL / football operations.
- ▶ WAFL competition recorded the lowest average winning margin since 2010, with 15 matches decided by 1 goal or less.
- ▶ WAFC introduced new equalisation measures for the 2020 season, with measures put in place for teams at the top and bottom of the ladder to support a more competitive competition.
- ▶ WAFC Women in Football Advisory Committee launched to support strategic growth of female football and provide leadership opportunities.
- ▶ WAFC appointed its first Aboriginal staff member in Brad Collard – Aboriginal and Inclusion Leader.
- ▶ WA won the State 18's National Championship for the first time in 10 years and achieved one of highest draft results (male and female) on record.
- ▶ WAFC and WAFL Clubs developed community connection strategies to enhance the role that WAFL Clubs play in supporting the pathway and broader community.
- ▶ Governance reform for junior football was finalised, with a new strategic three-region model to be transitioned into for 2020.
- ▶ WAFC finalised all arrangements with the State for lease arrangements and future home.
- ▶ Improvements in umpiring retention and satisfaction.



Gavin Taylor
Chief Executive Officer,
West Australian Football Commission



**Building a better
working world**

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Independent auditor's report to the members of the West Australian Football Commission Incorporated

Opinion

We have audited the financial report of the West Australian Football Commission Incorporated (“the Commission”) and its subsidiaries (collectively the Group), which comprises:

- ▶ The Group consolidated and Commission statements of financial position as at 31 October 2019.
- ▶ The Group consolidated and Commission statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended.
- ▶ Notes to the financial statements, including a summary of significant accounting policies.
- ▶ The Commissioners’ declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Commission and the Group as at 31 October 2019, and their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Commissioners for the financial report

The Commissioners are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Commissioners determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Commissioners are responsible for assessing the Commission’s and Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Commissioners either intend to liquidate the Commission or Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.



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

- ▶ Identify and assess the risks of material misstatement of the financial report, 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 our 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 Commission's or the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioners.
- ▶ Conclude on the appropriateness of the Commissioners' 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 Commissioners' or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission or the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Commissioners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Gavin Buckingham
Partner
Perth
20 February 2020

**WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
CHAIRMAN OF THE BOARD OF COMMISSIONERS' DECLARATION**

I, Hon Wayne Martin AC QC, being the Chairman of the Board of Commissioners of the West Australian Football Commission Incorporated ("WAFC"), do hereby state that to the best of my knowledge and belief, the accompanying financial statements, being the Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity, Statements of Cash Flows and Notes to and forming part of the financial statements of WAFC gives a true and fair view of WAFC and the WAFC Consolidated Group financial position and performance as at and for the year ended 31 October 2019.

Wayne Martin

Chairman of the Board of Commissioners' Declaration
Perth

20 February 2020

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	Consolidated		WAFC Inc.	
		2019	2018	2019	2018
		\$	\$	\$	\$
Revenue	4	157,605,137	153,235,969	20,471,312	20,618,773
State funding income in advance ⁽ⁱ⁾	4	11,207,000	10,947,000	11,207,000	10,947,000
Cost of goods and services provided	5	(46,586,104)	(45,261,681)	-	-
GROSS PROFIT		122,226,033	118,921,288	31,678,312	31,565,773
Administration expenses		(26,618,955)	(23,292,535)	(2,341,477)	(2,349,361)
Marketing expenses		(6,859,666)	(6,586,907)	(1,235,550)	(1,091,410)
Corporate expenses		(2,111,678)	(2,043,058)	(1,222,548)	(1,188,180)
Borrowing costs expensed	5	(137,929)	(203,124)	(137,929)	(203,124)
Football expenses		(66,278,121)	(65,242,758)	(12,687,056)	(12,546,934)
Development expenses		(10,406,182)	(9,308,941)	(10,406,182)	(9,308,941)
Facility expenses ⁽ⁱⁱ⁾		(1,293,889)	(2,682,070)	(1,293,889)	(2,682,070)
Umpire expenses		(1,471,267)	(1,245,096)	(1,471,267)	(1,245,096)
Sundry Income		66,984	-	-	-
Unrealised profit/(loss) on investments		-	(88,435)	-	-
Facility and club development contribution		(80,000)	(70,000)	(80,000)	(70,000)
PROFIT FROM NORMAL OPERATIONS		7,035,330	8,158,364	802,414	880,657
OTHER INCOME/(EXPENSES) OUTSIDE NORMAL OPERATIONS					
Net Development Funding	4	13,086,140	3,330,000	-	-
Term loan forgiven	4	5,606,348	-	5,606,348	-
Loss on transfer of investment property	4	(1,260,000)	-	(1,260,000)	-
Subiaco lease finalisation	4	-	-	(666,644)	-
		-	-	-	-
Net gain on sale of stadium assets	4	89,959	557,773	89,959	557,773
PROFIT BEFORE INCOME TAX		24,557,777	12,046,137	4,572,077	1,438,430
INCOME TAX EXPENSE		-	-	-	-
NET PROFIT ATTRIBUTABLE TO MEMBERS OF WAFC	21(g)	24,557,777	12,046,137	4,572,077	1,438,430
Other comprehensive profit / (loss)					
Fair value movement of available-for-sale investments		340,093	(56,315)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		24,897,870	11,989,822	4,572,077	1,438,430

(i) Amount relates to monies received on 31 October 2019 (prior year on 30 October 2018) from the State Government under the WAFC Funding Agreement relating to the 31 October 2020 financial year (prior year relates to the 31 October 2019 financial year). As the amount was received prior to year-end although it represents funding for the 31 October 2020 financial year (prior year 31 October 2019 financial year) accounting standards require it to be recognised as income in the current financial year.

(ii) The above result includes just over eight months of operating expenses associated with Subiaco Oval.

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	Consolidated		WAFC Inc.	
		2019	2018	2019	2018
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	6	36,834,056	56,118,874	14,701,562	15,254,729
Trade and other receivables	7	8,681,218	10,130,112	9,019,661	7,311,512
Inventories	8	681,011	2,270,287	-	-
Other financial assets	9	35,392,362	32,700,110	42,556	101,482
Other receivables	10	33,750	584,376	33,750	84,376
TOTAL CURRENT ASSETS		81,622,397	101,807,009	23,797,529	22,755,349
NON-CURRENT ASSETS					
Other receivables	10	321,667	297,081	630,667	297,081
Other financial assets	9	-	-	2,110,946	2,110,946
Property, plant and equipment	11	76,407,192	19,057,520	168,134	192,552
Investment properties	12	1,744,230	3,004,230	-	1,260,000
Intangible assets	13	8,000,000	8,000,000	-	-
Other non - current assets	19	768,848	25,726,816	-	-
TOTAL NON-CURRENT ASSETS		87,241,937	56,082,397	2,909,747	3,857,329
TOTAL ASSETS		168,864,334	157,889,406	26,707,276	26,612,678
CURRENT LIABILITIES					
Trade and other payables	14	13,490,934	20,978,208	3,267,593	2,640,324
Unearned revenue	17	11,166,683	12,661,387	271,615	403,285
Interest-bearing liabilities	15	-	5,606,348	-	5,606,348
Provisions	16	7,557,159	7,213,570	1,402,035	1,197,520
TOTAL CURRENT LIABILITIES		32,214,776	46,459,513	4,941,243	9,847,477
NON-CURRENT LIABILITIES					
Unearned revenue	17	400,000	425,000	-	-
Other non-current liabilities	18	75,785	174,558	521,189	-
Provisions	20	1,612,723	1,167,155	117,863	210,297
TOTAL NON-CURRENT LIABILITIES		2,088,508	1,766,713	639,052	210,297
TOTAL LIABILITIES		34,303,284	48,226,226	5,580,295	10,057,774
NET ASSETS		134,561,050	109,663,180	21,126,981	16,554,904
ACCUMULATED FUNDS					
Accumulated surplus	21	127,576,110	108,222,554	15,860,753	16,554,904
Reserves	21	6,984,940	1,440,626	5,266,228	-
TOTAL ACCUMULATED FUNDS		134,561,050	109,663,180	21,126,981	16,554,904

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019

CONSOLIDATED	Accumulated Surplus	Reserves	Total Equity
	\$	\$	\$
At 1 November 2017	96,074,008	1,599,350	97,673,358
Profit for the period	12,046,137	-	12,046,137
Fair value movement of available-for-sale investments	-	(56,315)	(56,315)
Total comprehensive income for the period	12,046,137	(56,315)	11,989,822
Transfer to unsecured notes reserve	175	(175)	-
Transfer to undistributable profits reserve	102,234	(102,234)	-
At 31 October 2018	108,222,554	1,440,626	109,663,180
At 1 November 2018	108,222,554	1,440,626	109,663,180
Profit for the period	24,557,777	-	24,557,777
Fair value movement of available-for-sale investments	-	340,093	340,093
Total comprehensive income for the period	24,557,777	340,093	24,897,870
Transfer to unsecured notes reserve	201	(201)	-
Transfer to undistributable profits reserve	(5,204,422)	5,204,422	-
At 31 October 2019	127,576,110	6,984,940	134,561,050

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019

WAFC	Accumulated Surplus	Reserves	Total Equity
	\$	\$	\$
At 1 November 2017	15,116,474	-	15,116,474
Profit for the period	1,438,430	-	1,438,430
At 31 October 2018	16,554,904	-	16,554,904
At 1 November 2018	16,554,904	-	16,554,904
Profit for the period	4,572,077	-	4,572,077
Transfer of reserve funds consumed on expenditure back to Accumulated Surplus	113,244	(113,244)	-
Transfer to/from Reserves	(5,379,472)	5,379,472	-
At 31 October 2019	15,860,753	5,266,228	21,126,981

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	Consolidated		WAFC Inc.	
		2019	2018	2019	2018
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from operating activities		131,152,844	139,840,603	24,481,391	23,268,731
Payments to suppliers and employees		(156,531,636)	(146,502,273)	(30,495,784)	(30,956,625)
Interest and dividends received		1,815,934	2,320,361	182,656	237,062
Development funding and grants received		13,086,140	3,330,000	-	-
AFL distributions received		28,253,203	26,528,074	5,388,533	4,056,448
Borrowing costs paid		(98,056)	(142,828)	(98,056)	(142,828)
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	6(b)	17,678,429	25,373,937	(541,260)	(3,537,212)
CASH FLOWS FROM INVESTING ACTIVITIES					
Redemption of term deposits		7,500	(1,554)	-	-
Purchase of property, plant and equipment		(2,435,211)	(1,972,450)	(107,355)	(219,101)
Payments for assets under construction		(32,760,409)	(19,129,755)	-	-
Proceeds from sale of investments		29,566,862	26,079,716	-	-
Purchase of investments		(31,977,560)	(16,755,550)	-	-
Proceeds from sale of property, plant and equipment		630,082	1,117,945	89,959	617,263
Provision of loan under financial assistance policy		(7,707)	(250,000)	(7,707)	(250,000)
Proceeds from repayment of loans Receivable		33,750	59,167	33,750	59,167
Payment into WAFL Sustainability Fund		(20,554)	-	(20,554)	-
-NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES		(36,963,247)	(10,852,481)	(11,907)	207,329
CASH FLOWS FROM FINANCING ACTIVITIES					
(Repayment of)/proceeds from borrowings		-	(1,000,000)	-	-
Repayment of long-term debt		-	-	-	-
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES		-	(1,000,000)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(19,284,818)	13,521,456	(553,167)	(3,329,883)
Cash and cash equivalents at the beginning of period		56,118,874	42,597,418	15,254,729	18,584,612
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	6(a)	36,834,056	56,118,874	14,701,562	15,254,729

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

1. CORPORATE INFORMATION

The financial report of the West Australian Football Commission (“WAFC” or “the Commission”) for the year ended 31 October 2019 was authorised for issue in accordance with a resolution of the Commissioners on xx February 2020.

The registered office of WAFC is located at:
 105 Banksia St
 Tuart Hill WA 6060

The nature of the operations and principal activities of the Commission is to promote and encourage the participation and growth in football in WA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Associations Incorporation Act (WA) and Australian Accounting Standards applicable to not for profit entities. The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Group has adopted all the new and revised standards and interpretations issued by the Australian Accounting Standards Board (“the AASB”) that are relevant to its operations and effective for annual reporting periods beginning on 1 November 2018. This included the adoption of AASB 9 Financial Instruments. This Standard did not have a significant impact on the financial position or performance of the Group.

AASB 9 Financial Instruments

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria; the Group’s business model for managing the assets; and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding (the ‘SPPI criterion’). The SPPI test is applied to the entire financial asset, even if it contains an embedded derivative.

The Group has applied AASB 9 with the initial application date being 1 November 2018. The cumulative impact of applying AASB 9 was not material.

At the date of initial application, existing financial assets and liabilities of the Group were assessed in terms of the requirements of AASB 9. The assessment was conducted on instruments that had not been derecognised as at 1 November 2018. In this regard, the Group has determined that the adoption of AASB 9 has impacted the classification of financial instruments at 1 November 2018 as follows:

Class of financial instrument presented in the statement of financial position	Original measurement category under AASB 139 (i.e. prior to 1 November 2018)	New measurement category under AASB 9 (i.e. from 1 November 2018)
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Trade and other receivables	Loans and receivables	Financial assets at amortised cost
Financial assets at fair value through other comprehensive income	Available for sale financial asset	Financial assets at fair value through other comprehensive income
Trade and other payables	Financial liability at amortised cost	Financial liabilities at amortised cost

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

Impairment of financial assets

The adoption of AASB 9 has changed the Group’s accounting for impairment losses for financial assets by replacing AASB 139’s incurred loss approach with a forward-looking expected credit loss (“ECL”) approach. AASB 9 requires the Consolidated Entity to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

The Group’s receivables balance consists primarily of trade receivables. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, all bank balances are assessed to have low credit risk as they are held with reputable financial institutions are rated the equivalent of investment grade and above.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Given the Group’s receivables are primarily from trade receivables, the Group has assessed that the risk of default is minimal and as such, no material adjustment was required against these financial assets as at 1 November 2018.

Issued or amended but are not yet effective Accounting Standards

New and amended Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted for the annual reporting period ended 31 October 2019 and are outlined in the table below.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 replaces AASB 139 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs. Debt instruments are subsequently measured at FVTPL, amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held.</p> <p>There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch.</p> <p>Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.</p> <p>For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability’s credit risk would create or enlarge an accounting mismatch in profit or loss.</p> <p>All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO.</p> <p>The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9.</p> <p>The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.</p> <p>Available-for-sale investments are now re-classified as fair value through profit and loss as opposed to through other comprehensive income.</p>	1 January 2018	1 November 2019

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

Reference	Title	Summary	Application date of standard*	Application date for Group*
		The expected credit loss model will be used for debtors as opposed to the incurred credit loss model.		
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 Leases (or AASB 16 Leases, once applied).</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:</p> <ul style="list-style-type: none"> ▶ Step 1: Identify the contract(s) with a customer ▶ Step 2: Identify the performance obligations in the contract ▶ Step 3: Determine the transaction price ▶ Step 4: Allocate the transaction price to the performance obligations in the contract ▶ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. <p>Management has determined that the changes in AASB 15 has had no material impact on the financial statements.</p>	1 January 2018	1 November 2019
AASB 1058	<i>Income of Not-for-Profit Entities</i>	<p>AASB 1058 and AASB 2016-8 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.</p> <p>Consequently AASB 1004 <i>Contributions</i> is also amended, with its scope effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.</p> <p>The impact assessment is yet to be finalized but management do not expect this to result in material changes to the recognition of revenue.</p>	1 January 2019	1 November 2019
AASB 16	Leases	<p>AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally</p>	1 January 2019	1 November 2019

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Reference	Title	Summary	Application date of standard*	Application date for Group*
		<p>recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.</p> <p>Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p> <p>Management is still finalising its assessment of the impact of AASB 16.</p>		

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of West Australian Football Commission Incorporated (WAFC) and all entities (the Group) which WAFC controlled as at 31 October each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist. In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(d) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing material misstatement to the carrying amounts of certain assets and liabilities within the next annual reporting periods are:

Long Service Leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Lease benefit

In determining the fair value of the lease benefit received estimation is required to determine the fair value of such benefit and any difference of this and the amount paid or payable for the use of the lease is determined to be a gain or loss.

Intangibles with indefinite useful lives

The Group determines whether intangibles with indefinite useful lives are impaired at least on an annual basis. This requires estimations of the recoverable amount of the cash-generating units to which the intangibles with indefinite useful lives are allocated.

Annual Leave

Liabilities for annual leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Classification and valuation of investments

Management has classified investments in listed and unlisted securities as 'fair value through other comprehensive income' ('available-for-sale' in 2018) and movements in fair value are recognised directly in equity. Financial assets held at fair value through other comprehensive income or available for sale for the periods before 1 November 2018 are initially measured at fair value, including transaction costs directly attributable to the acquisition of the financial asset. The fair values of unlisted securities not traded in an active market are determined by reference to the defaults in underlying investments, being the risks specific to these assets.

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(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the parent or subsidiaries of the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the cost incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customers.

Rendering of Services

Where the contract outcome can be reliably measured:

- Control of a right to be compensated for the services has been attained and the stage of completion can be reliably measured. For Indian Pacific Limited ('IPL') and Fremantle Football Club Limited ('FFCL'), stage of completion is measured by reference to the number of matches played as a percentage of the total number of matches for each contract.

Where the contract outcome cannot be reliably measured:

- Revenue is recognised only to the extent that costs have been incurred.

Interest

Revenue is recognized as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Grant income

Grant income, including contributions of assets, is recognised when the club controls the contribution or right to receive the contribution, and it is probable that the economic benefits comprising the contributions will flow to the club, and the amount of contribution can be measured reliably.

(f) Unearned revenue

Unearned revenue represents deposits, payments on account and payments in advance from customers for services, sponsorships or memberships, where the Group has a contractual or constructive liability to repay such amounts to the other party in the event that the Group does not deliver the services. Unearned revenue is recognised as the amount received by the Group and is deferred until the delivery of the service.

(g) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(h) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are recognized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as an expense in profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

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Operating lease payments are recognized as an expense in the Statements of Comprehensive Income on a straight-line basis over the lease term. Lease incentives are recognized in the Statements of Comprehensive Income as part of the total lease expense.

(i) Cash and cash equivalents

Cash and short-term deposits in the Statements of Financial Position comprised of cash at bank and in hand and short-term deposits with an original maturity of three months or less at balance date.

For the purposes of the Statements of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount. Interest is recognised as an expense as it accrues.

(j) Trade and other receivables

Trade receivables, which generally have 30-day terms, are recognized and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories are accounted for at purchase cost on a first in first out basis.

(l) Investments and other financial assets

Initial recognition and measurement applied from 1 November 2018

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient, the Entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Initial recognition and measurement applied for the period prior to 1 November 2018

Financial assets were classified as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets were recognised initially, they were measured at fair value, plus, in the case of investments not at fair value held for trading, directly attributable transactions costs. The Group determined the classification of its financial assets on initial recognition.

The fair value of investments that were actively traded in organised financial markets was determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value was determined using valuation techniques. Such techniques included using recent arm's length market transactions;

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reference to the current market value of another instrument that were substantially the same; discounted cash flow analysis and option pricing models.

All regular way purchases and sales of financial assets were recognised on the trade date i.e. the date that the Entity committed to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that required delivery of the assets within the period established generally by regulation or convention in the marketplace.

Subsequent Measurement

Other financial assets consist of investments in debt and equity securities and short-term investments with a maturity date of over 90 days and are classified as either “fair value through other comprehensive income” (“available for sale” for periods before 1 November 2018) or “fair value through profit and loss”. Financial assets held at fair value through other comprehensive income or available for sale for the periods before 1 November 2018 are initially measured at fair value, including transaction costs directly attributable to the acquisition of the financial asset.

Where securities are designated as “fair value through profit and loss”, gains and losses arising from changes in fair value are included in the income statement for the period.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss include derivative and other financial assets determined as held for trading where they are acquired for the purpose of selling in the near term. Financial assets at fair value through profit and loss are recorded in the Statement of Financial Position at their values with changes in fair value recognised in profit or loss. Financial assets held at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed.

(ii) Financial assets at fair value through other comprehensive income

For equity investments at “fair value through other comprehensive income”, gains or losses arising from changes in fair value are recognised in other comprehensive income, until the security is disposed of, at which time the cumulative gain or loss previously recognised in other comprehensive income is included directly in retained earnings and is not recycled to the income statement. For the periods before 1 November 2018, the gains or losses accumulated at the time of sale or impairment were recycled to the income statement.

For debt instruments at “fair value through other comprehensive income” or “available for sale” in the periods before 1 November 2018, gains and losses arising from changes in fair value are recognised in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the income statement for the period. Until 1 November 2018, debt securities were deemed impaired based on whether an impairment trigger happened and it resulted in an incurred loss. From 1 November 2018, impairments in debt securities are recognised based on management’s expectation of losses in each investment (“expected credit loss” model).

Until 1 November 2018, equity investments that did not have a quoted market price in an active market and whose fair value could not be reliably measured by other means were held at cost. From 1 November 2018, all equity investments must be measured at fair value under AASB 9 Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss or loans and receivables. When financial assets are recognised initially, they are measured at fair value. The Consolidated Entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains or losses are recognised in the Consolidated Statement of Comprehensive Income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net

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disposal proceeds and the carrying amount of the asset is recognised in the Consolidated Statement of Comprehensive Income in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(m) Taxes

Income Taxes

The WAFC and its controlled entities, FFCL and IPL, are not subject to income tax. WAFC obtained exemption under s50-45 of the ITAA (1997) as it is a sporting club and it promotes and encourages the participation and growth in the sport.

Goods and Services Tax (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statements of Financial Position.

Cash flows are included in the Statements of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Property, plant and equipment

Cost and valuation

Plant and equipment is stated at cost or deemed cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalization when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, the cost is recognized in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalization.

Depreciation

Depreciation of leasehold improvements, calculated on a straight line basis over the lesser of its estimated useful life and the term of the lease.

Depreciation of other fixed assets, calculated on the reducing balance method or on a straight-line basis over its estimated useful life.

Major depreciation periods are:

	2019	2018
• Plant and equipment	- 4 to 40 years	- 4 to 40 years
• Leasehold improvements	Lease term/useful life	Lease term/useful life
• Furniture, fittings and equipment	3 to 10 years	3 to 10 years
• Motor vehicles	5 to 10 years	5 to 10 years

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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each financial year.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may not be recoverable.

The Commissioners have determined that items of plant and equipment do not generate independent cash inflows accordingly, each asset is tested for impairment as part of the cash-generating unit to which it belongs. The recoverable amount of the cash generating unit is based on fair value less costs to sell.

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the Statements of Comprehensive Income as an expense.

De-recognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(o) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. The AFL licences have been assessed as having an indefinite useful life.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 October, as appropriate, and when circumstances indicate that the carrying value may be impaired. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash generating unit ("CGU") exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the assets value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the CGU to which it belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount.

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A summary of the policies applied to the Group's intangible assets is as follows:

Australian Football League (AFL) Licences

Useful lives

Indefinite

Amortisation method used

No amortisation

Internally generated or acquired

Acquired

Impairment testing

Annually and more frequently when an indication of impairment exists

(p) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

The Commissioners have determined that individual assets or groups of assets do not generate independent cash inflows. Accordingly, each asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(q) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less any directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(s) Derivative financial instruments

The Group may use derivative financial instruments such as interest rate swaps to manage the risk associated with interest rate fluctuations. Derivatives are initially recognised at fair value on the date the contract is entered into and subsequently re-measured to fair value at each reporting date.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivatives are classified as a non-current asset or liability if the remaining maturity of the contract is more than 12 months.

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The Group has elected not to use hedge accounting to account for its derivative financial instruments.

The Group has no derivatives as at 31 October 2019.

(t) Unsecured notes - IPL

The unsecured note liability is calculated by discounting the face value of the notes at a rate of 15% from the latest possible date of redemption. Redemption is at the discretion of the Commissioners prior to the year 2075.

The difference between the face value of the notes and the amount of the liability is recorded as an unsecured note redemption reserve (Note 21(b)).

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When the discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(v) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the Reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(w) Comparatives

Certain comparative balances have been reclassified to conform to the current year presentation.

(x) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

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3. SEGMENT INFORMATION

The Group operates in one segment being the football industry within Australia.

	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
4. REVENUES AND OTHER INCOME				
Revenues from operating activities	136,451,738	132,781,893	20,593,400	20,709,489
Net royalty income	-	-	5,100,480	5,179,465
Rental income				
- Other corporations	-	290,756	323,283	698,402
Interest income				
- Other corporations	1,713,169	2,139,445	182,656	237,062
AFL Distribution	28,253,204	26,528,074	5,388,533	4,056,448
Other	2,394,026	2,442,801	89,959	684,907
	168,812,137	164,182,969	31,678,311	31,565,773

**OTHER REVENUE / (EXPENSES) OUTSIDE
NORMAL OPERATIONS**

Development Funding (i)	13,086,140	3,330,000	-	-
Term loan forgiven (ii)	5,606,348	-	5,606,348	-
Loss on sale of investment property (ii)	(1,260,000)	-	(1,260,000)	-
Subiaco lease finalisation (ii)	-	-	(666,644)	-
Net gain on sale of stadium assets	89,959	557,773	89,959	557,773
	17,522,447	3,887,773	3,769,663	557,773

(i) Development funding represents monies received in connection with the development of the Group's facilities at Lathlain Park.

(ii) As part of the agreement with the Government of Western Australia for the surrender of WAFC's lease over Subiaco Oval, investment properties owned by the WAFC were transferred to the State Government, the WAFC's term loan with ANZ was transferred to the State Government, and a settlement agreement was reached with the West Coast Eagles to repay previously prepaid rent in connection with their sub lease at Subiaco Oval.

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	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
5. EXPENSES AND LOSSES / (GAINS)				
(a) Expenses				
Cost of goods and services provided				
Match expenses	11,192,278	11,155,788	-	-
Stadium hiring fee	12,643,899	12,853,552	-	-
Membership expenses	5,508,034	6,973,390	-	-
Sponsorship expenses	918,038	997,662	-	-
Arena advertising expenses	496,665	397,605	-	-
Corporate box expenses	4,041,181	4,250,292	-	-
Merchandise expenses	5,794,071	4,128,964	-	-
Functions and special events expenses	5,991,938	4,504,428	-	-
Total cost of goods and services provided	46,586,104	45,261,681	-	-
Depreciation				
Leasehold improvements	388,454	389,119	-	-
Property, plant & equipment	2,266,335	1,970,658	130,604	222,269
Total depreciation	2,654,789	2,359,777	130,604	222,269
Operating lease				
Minimum lease payments	546,386	703,060	546,386	703,060
Borrowing costs expensed				
Interest expense – other corporations	137,929	203,124	137,929	203,124
Bad and doubtful debts expense / (write back)	12,952	60,714	12,952	60,714
Write off of previously capitalised costs	-	(1,631,418)	-	-

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
6. CASH AND CASH EQUIVALENTS				
(a) Cash and deposits	36,834,056	56,118,874	14,701,562	15,254,729
	<u>36,834,056</u>	<u>56,118,874</u>	<u>14,701,562</u>	<u>15,254,729</u>
(b) Reconciliation of the operating profit to the net cash flows from / (used in) operations				
Profit after tax from total operations	24,557,777	12,046,137	4,572,077	1,438,430
Adjustments for:				
<i>Non-cash items</i>				
Depreciation on property, plant and equipment	2,654,789	2,359,777	130,604	222,269
Net impact of Subiaco lease finalisation	-	-	428,854	-
Other			1,147	
(Profit) on disposal of investments	136,663	(11,877)	-	-
(Gain) / loss on disposal/write-off of assets	1,170,040	(547,794)	1,170,041	(557,773)
Loan forgiven	(5,606,348)	-	(5,606,348)	
Write off of previously capitalised costs	-	1,631,418	-	-
Impairment of investments	-	88,435	-	-
Profit after Adjustment for Non-Cash items	<u>22,912,921</u>	<u>15,566,096</u>	<u>696,375</u>	<u>1,102,926</u>
<i>Changes in assets and liabilities</i>				
(Increase) / decrease in trade and other receivables	1,394,054	(4,115,171)	(1,753,250)	(4,249,892)
(Increase) / decrease in inventory	1,589,275	(1,589,251)	-	-
Increase / (decrease) in creditors and other liabilities	(7,487,274)	6,716,011	406,852	920,910
Increase / (decrease) in unearned revenue	(1,519,704)	7,481,669	(23,876)	(1,287,968)
Increase / (decrease) in provisions	789,157	1,314,583	132,639	(23,188)
Net cash from / (used in) operating activities	<u>17,678,429</u>	<u>25,373,937</u>	<u>(541,260)</u>	<u>(3,537,212)</u>

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FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
7. TRADE AND OTHER RECEIVABLES				
Trade debtors (i)	6,930,527	8,218,766	899,961	1,360,480
Provision for doubtful debts	(112,435)	(225,586)	-	(16)
	<u>6,818,092</u>	<u>7,993,180</u>	<u>899,961</u>	<u>1,360,464</u>
Other debtors (ii)	1,030,572	1,824,879	10,719	107,220
Prepayments	832,554	312,053	170,866	146,417
Total trade and other receivables	<u>8,681,218</u>	<u>10,130,112</u>	<u>1,081,546</u>	<u>1,614,101</u>
Amounts other than trade receivables from related parties (iii):				
Wholly owned group				
Fremantle Football Club Limited	-	-	1,542,180	1,389,721
Indian Pacific Limited	-	-	6,395,935	4,307,690
	<u>8,681,218</u>	<u>10,130,112</u>	<u>9,019,661</u>	<u>7,311,512</u>

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade debtors are non-interest bearing and generally on 30-day terms.
- (ii) Other debtors are non-interest bearing and have repayment terms between 30 and 90 days.
- (iii) Related party receivables are non-interest bearing and receivable based on agreed terms.

At 31 October, the ageing analysis of trade receivables is as follows:

	Total	Not Due	0-6 months	6-12 months	+12 months
<u>Consolidated</u>					
2019	6,930,527	6,178,315	554,150	109,370	88,692
2018	8,218,766	6,535,208	1,462,381	157,017	64,160
<u>WAFC</u>					
2019	899,961	811,863	88,098	-	-
2018	1,360,480	1,036,464	324,016	-	-

8. INVENTORIES

Items held for resale

- At lower of cost and net realisable value	681,011	2,270,287	-	-
	<u>681,011</u>	<u>2,270,827</u>	<u>-</u>	<u>-</u>

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
9. OTHER FINANCIAL ASSETS				
CURRENT				
Available-for-sale investments - at fair value (i)	35,294,804	32,536,128	-	-
Fixed interest investments – at fair value		-		-
Other (ii)	97,558	163,982	42,556	101,482
	<u>35,392,362</u>	<u>32,700,110</u>	<u>42,556</u>	<u>101,482</u>

(i) The fair value of available-for-sale listed investments of \$35,294,804 (2019: \$32,536,128) has been determined by reference to published price quotations.

(ii) Other financial assets are carried at fair value since inception. The fair value of term deposits with credit institutions is their carrying value. The carrying value represents the cost of the term deposit and accrued interest. Other financial assets have a maturity date greater than 3 months of their inception.

NON-CURRENT

Shares in Indian Pacific Ltd - at cost	-	-	2,110,945	2,110,945
Shares in Fremantle Football Club Ltd – at cost	-	-	1	1
	<u>-</u>	<u>-</u>	<u>2,110,946</u>	<u>2,110,946</u>

Investment in controlled entities comprises:

Name	Country of Incorporation	Beneficial interest held By the WAFC	
		2019	2018
		\$	\$
Indian Pacific Limited	Aust (i)		
- Ordinary shares		100%	100%
- Management share		100%	100%
- West Coast Eagles Supporters Club Ltd (WCESC)	Aust (i)	100%	100%
Fremantle Football Club Limited	Aust (i)		
- Ordinary shares		100%	100%

(i) controlled entity audited by Ernst & Young

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated		WAFC	
	2019	2018	2019	2018
	\$	\$	\$	\$
10. OTHER RECEIVABLES				
CURRENT				
Peel Thunder Football Club (i)	33,750	33,750	33,750	33,750
City of Fremantle (ii)	-	500,000	-	-
West Perth Football Club (iii)	-	50,626	-	50,626
	<u>33,750</u>	<u>584,376</u>	<u>33,750</u>	<u>84,376</u>
NON-CURRENT				
Peel Thunder Football Club (i)	67,500	101,250	67,500	101,250
West Perth Football Club (iii)	254,167	195,831	254,167	195,831
Fremantle Football Club Limited (iv)	-	-	309,000	-
	<u>321,667</u>	<u>297,081</u>	<u>630,667</u>	<u>297,081</u>

- (i) The loan to the Peel Thunder Football Club is interest free and repayable on demand. It is expected that the loan will reduce by \$33,750 in the 2020 financial year and this portion has been classified as current. A deed of charge has been executed over Peel Thunder Football Club's assets.
- (ii) Amount represents the proceeds owing from the surrender and release of Fremantle Oval.
- (iii) The loan to the West Perth Football Club was for \$250,000 and is due to be repaid by 2025. The interest rate on the loan is 3% or the RBA published rate, whichever is higher. A deed of charge has been executed over West Perth Football Club's assets.
- (iv) Non-current receivable from Fremantle Football Club Limited represents a deferred royalty owing to the WAFC from the 2018 and 2019 financial years, which is receivable based on agreed future financial performance parameters.

	Consolidated		WAFC	
	2019	2018	2019	2018
	\$	\$	\$	\$
11. PROPERTY, PLANT AND EQUIPMENT				
Buildings on leasehold land – at cost	51,175,419	.	-	-
Less: Accumulated depreciation	(542,750)	.	-	-
	<u>50,632,669</u>	.	-	-
Property plant & equipment – at cost	19,641,870	14,253,142	521,939	414,821
Less: Accumulated depreciation	(8,962,595)	(10,679,324)	(353,805)	(222,269)
	<u>10,679,275</u>	<u>3,573,818</u>	<u>168,134</u>	<u>192,552</u>
Buildings on leasehold land – at cost	439,911	439,911	-	-
Less: Accumulated amortisation	(429,420)	(424,738)	-	-
	<u>10,491</u>	<u>15,173</u>	-	-
Buildings on leasehold land – at deemed cost	16,118,429	16,118,429	-	-
Less: Accumulated amortisation	(1,033,672)	(649,900)	-	-
	<u>15,084,757</u>	<u>15,468,529</u>	-	-
Total property, plant and equipment	<u>76,407,192</u>	<u>19,057,520</u>	<u>168,134</u>	<u>192,552</u>

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
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	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
11. PROPERTY, PLANT AND EQUIPMENT				
(continued)				
(a) Reconciliations				
Reconciliations of the carrying amounts of land and buildings, leasehold improvements and furniture and equipment at the beginning and end of the current and previous financial year.				
<i>Buildings on leasehold land – at cost</i>				
Carrying amount at the beginning of the year				
Additions	25,448,603			
Transfer from Lathlain Facilities WIP	25,726,816			
Depreciation expense	(542,750)			
Carrying amount at the end of the year	50,632,669			
<i>Buildings on leasehold land – at deemed cost</i>				
Carrying amount at the beginning of the year	15,483,702	15,872,821	-	-
Additions	-	-	-	-
Net Gain on fair value measurement of lease	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(388,454)	(389,119)	-	-
Carrying amount at the end of the year	15,095,248	15,483,702	-	-
<i>Property, plant and equipment</i>				
Carrying amount at the beginning of the year	3,573,818	3,582,688	192,552	195,719
Additions	8,978,168	1,972,448	107,355	219,102
Disposals	(149,126)	(10,661)	(1,168)	-
Depreciation expense	(1,723,585)	(1,970,658)	(130,604)	(222,269)
Carrying amount at the end of the year	10,679,275	3,573,818	168,134	192,552
<i>Total Property, Plant and Equipment</i>				
Carrying amount at the beginning of the year	19,057,520	19,455,510	192,552	195,719
Additions	34,426,771	1,972,448	107,355	219,102
Transfer from Lathlain Facilities WIP	25,726,816	-		-
Disposals	(149,126)	(10,661)	(1,168)	-
Depreciation expense	(2,654,789)	(2,359,777)	(130,604)	(222,269)
Carrying amount at the end of the year	76,407,192	19,057,520	168,134	192,552

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FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
12. INVESTMENT PROPERTIES				
Opening balance at 1 November	3,004,230	3,006,991	1,260,000	1,262,761
Disposals	(1,260,000)	-	(1,260,000)	-
Movement in carrying amount	-	(2,761)	-	(2,761)
Closing balance as at 31 October	1,774,230	3,004,230	-	1,260,000

13. INTANGIBLE ASSETS

AFL licences	8,000,000	8,000,000	-	-
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These licences have been determined to have infinite useful lives and the cost model is utilised for their measurement. The licences have been granted to WAFC by the AFL to field two teams in the competitions conducted by the AFL provided they meet certain terms and conditions of the licence agreement. There is no expiry date on the licences and evidence supports the Group's ability to meet the necessary terms and conditions set out in the licence agreements, allowing the Group to determine that these assets have an indefinite useful life. These assets were tested for impairment as at 31 October 2019.

14. TRADE AND OTHER PAYABLES

Trade creditors and accruals	12,246,681	15,039,240	2,699,470	1,357,125
Sundry creditors	1,244,253	5,938,968	422,667	1,283,199
Subiaco lease finalisation	-	-	145,456	-
	13,490,934	20,978,208	3,267,593	2,640,324

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade creditors are non-interest bearing and are normally settled on 30-day terms.
- (ii) Sundry creditors are non-interest bearing and are settled within 1 year.

15. INTEREST-BEARING LIABILITIES

ANZ loan facility - secured	15(a)	-	5,606,348	-	5,606,348
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(a) Terms and conditions

The ANZ loan balance was assigned to the Western Australian Government during the year as part of the agreement with the Western Australian Government to surrender the lease over Subiaco Oval.

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
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	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
16. PROVISIONS (CURRENT)				
Employee entitlements	7,462,141	7,213,570	1,307,017	1,183,506
Sustainability Fund	95,018	-	95,018	14,015
	<u>7,557,159</u>	<u>7,213,570</u>	<u>1,402,035</u>	<u>1,197,520</u>

17. UNEARNED REVENUE

Current

Unearned revenue	11,166,683	12,661,387	271,615	403,285
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Non - Current

Unearned revenue	17(a) 400,000	425,000	-	-
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(a) Unearned income represents the non-current portion of the Curtin University alliance agreement.

18. OTHER NON-CURRENT LIABILITIES

Unsecured notes	(a) 1,543	1,327	-	-
Trade creditors and accruals	74,242	173,231		
Subiaco lease finalisation – WCE	(b) -	-	521,189	-
	<u>75,785</u>	<u>174,558</u>	<u>521,189</u>	<u>-</u>

(a) Unsecured notes - Terms and conditions relating to the unsecured notes

The unsecured notes are interest free, repayable at the discretion of the Commissioners up to the year 2075 and in any event not repayable before 30 June 2075. Each note has a full value of \$500 and 7,735 were issued as at balance date. This figure has been arrived at by the application of a discount rate of 15% to the date of redemption. These notes are unsecured and as such there is no collateral pledged as security.

(b) This amount represents the non-current portion of the Subiaco lease finalisation payable to the West Coast Eagles (WCE) over the next 8 years via a reduction in the royalty payable, discounted at a rate of 2%.

19. OTHER NON – CURRENT ASSETS

Lathlain facilities WIP – opening balance	25,726,816	25,726,816	-	-
Additions	768,848	-	-	-
Transfer to Property, Plant and Equipment - Note 11(a)	(25,726,816)	-	-	-
	<u>768,848</u>	<u>25,726,816</u>	<u>-</u>	<u>-</u>

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	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
20. PROVISIONS (NON-CURRENT)				
Sustainability fund	55,096	-	55,096	-
Employee entitlements	965,616	1,167,155	62,767	210,297
Allowance for capital works	592,011	-	-	-
	<u>1,612,723</u>	<u>1,167,155</u>	<u>117,863</u>	<u>210,297</u>

21. RESERVES AND ACCUMULATED SURPLUS

Investments held for sale reserves	21(a)	404,752	64,659	-	-
Unsecured notes redemption	21(b)	99,256	99,457	-	-
Distributable profits	21(c)	1,214,704	1,276,510	-	-
WAFC Future Home Reserve	21(d)	1,226,758	-	1,226,758	-
WAFC General Business Reserve	21(e)	3,000,000	-	3,000,000	-
WCE Football Development Reserve	21(f)	1,039,470	-	1,039,470	-
		<u>6,984,940</u>	<u>1,440,626</u>	<u>5,266,228</u>	<u>-</u>
Accumulated surplus	21(g)	<u>127,576,110</u>	<u>108,222,554</u>	<u>15,860,753</u>	<u>16,554,904</u>

(a) Other reserves

(i) Nature and purpose of reserve

This reserve records movements in the fair value of available for sale investments

(ii) Movements in reserve

Balance at the beginning of the year		64,659	120,974	-	-
Fair value movement		340,093	(56,315)	-	-
Balance at the end of the year		<u>404,752</u>	<u>64,659</u>	<u>-</u>	<u>-</u>

(b) Unsecured notes redemption

(i) Nature and purpose of reserve

The unsecured note redemption reserve is used to record the equity component of unsecured notes issued by a controlled entity. The reserve is reduced by the movement in the net present value of the unsecured note liability.

(ii) Movements in reserve

Balance at the beginning of the year		99,457	99,632	-	-
Fair value movement		(20)	(17)	-	-
Balance at the end of the year		<u>99,256</u>	<u>99,457</u>	<u>-</u>	<u>-</u>

(c) Distributable profits

(i) Nature and purpose of reserve

The undistributable profits reserve is used to accumulate profits arising from the West Coast Eagles Supporters Club.

(ii) Movements in reserve

Balance at the beginning of the year		1,276,510	1,378,744	-	-
Transfer from accumulated surplus		(61,806)	(102,234)	-	-
Balance at the end of the year		<u>1,214,704</u>	<u>1,276,510</u>	<u>-</u>	<u>-</u>

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(d) WAFC Future Home Reserve

(i) Nature and purpose of reserve

This reserve was established to fund a new home for WAFC when the Tuart College lease expires

	Consolidated		WAFC Inc.	
Balance at the beginning of the year	-	-	-	-
Transferred from accumulated surplus	1,226,758	-	1,226,758	-
Balance at the end of the year	1,226,758	-	1,226,758	-

(ii) Movements in reserve

(e) WAFC General Business Reserve

(i) Nature and purpose of reserve

This reserve was established to represent the balance of royalties received in the prior period which have been allocated into the general business reserve.

(ii) Movements in reserve

Balance at the beginning of the year	-	-	-	-
Transferred from accumulated surplus	3,000,000	-	3,000,000	-
Balance at the end of the year	3,000,000	-	3,000,000	-

(f) WCE Football Development Reserve

(i) Nature and purpose of reserve

This reserve was established under clause 9 of the royalty agreement, to capture excess amounts above the baseline and future home reserve.

(ii) Movements in reserve

Balance at the beginning of the year	-	-	-	-
Transfer from accumulated surplus	1,039,470	-	1,039,470	-
Balance at the end of the year	1,039,470	-	1,039,470	-

(g) Accumulated surplus

Balance at the beginning of the year	108,222,554	96,074,008	16,554,904	15,116,474
Net profit attributable to WAFC	24,557,777	12,046,137	4,572,077	1,438,430
Total available for appropriation	132,780,331	108,120,145	21,126,981	16,554,904
Aggregate of amounts transferred to/from reserves	(5,204,221)	102,409	(5,266,228)	-
Balance at the end of the year	127,576,110	108,222,554	15,860,753	16,554,904

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	Consolidated		WAFC Inc.	
	2019	2018	2019	2018
	\$	\$	\$	\$
22. EXPENDITURE COMMITMENTS				
(a) Operating lease expenditure commitments				
- Not later than one year	311,836	462,377	311,836	462,377
- Later than one year and not later than five years	25,142	240,683	25,142	240,683
	<u>336,978</u>	<u>703,060</u>	<u>336,978</u>	<u>703,060</u>
(b) Player expenditure commitments				
- Not later than one year	<u>24,846,845</u>	<u>24,679,368</u>	-	-
The Group acknowledges the contractual obligations of player contracts and the commitment to player expenditure. Due to contract terms varying considerably amongst players, it is not practical to estimate the future contingency under player contracts. The Group's minimum commitment is to pay 95% of the AFL imposed salary cap (2019: 12,758,095) for both FFCL and IPL. The AFL imposed salary cap for 2020 is \$13,013,257.				
(c) Lathlain development commitments				
- Not later than one year	-	26,680,551	-	-

In relation to the Lathlain development, full amount has been paid within the last 12 months, with no further commitments due for the Lathlain development.

23. RELATED PARTY DISCLOSURES

a) The WAFC Commissioners during the year ended 31 October 2019 were:

- Murray McHenry
- Jon Carson (resigned 31 December 2018)
- Cheryl Edwardes
- Stuart Love
- Neil Randall
- Grant Dorrington
- Chris Cottier
- Brian O'Donnell
- Wayne Martin (appointed 1 January 2019)

b) The WAFC receive a royalty from IPL and FFCL. IPL and FFCL use the assets of the WAFC under a sub-licence agreement whereby football teams participate in the AFL competition. Included in trade creditors and non-current payables are royalty fees payable for the use of the AFL licence and a deferred royalty relating to the 2018 and 2019 financial years. The royalty amounts are based on agreed financial performance parameters within WAFC Royalty agreement between WAFC and IPL and FFCL signed on 17 December 2019.

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23. RELATED PARTY DISCLOSURES (CONTINUED)

- c) In their role as Commissioners, the following football related benefits were provided by the WAFC to the Commissioners, for the year ended 31 October 2019.

	2019	2018
	\$	\$
Murray McHenry	1,289	1,179
Jon Carson	-	1,461
Cheryl Edwardes	1,289	914
Stuart Love	1,290	1,097
Wayne Martin	1,288	-
Neil Randall	1,289	1,368
Grant Dorrington	1,289	1,092
Brian O'Donnell	1,418	1,354
Chris Cottier	1,290	1,173

The Commissioners are required to attend certain games during the year as part of their duties. The associated costs of travel and accommodation are not included in the above benefits. The benefits applicable to Commissioners for 2019 are travel and accommodation costs for their spouse/partner to the AFL grand final.

During the financial year, the WA Football Commission engaged FTI Consulting, of whom Cheryl Edwardes is an employee. The value of these transactions was \$8,100 (2018: \$48,756).

- d) Compensation of key management personnel

Key management personnel are determined to be Chief Executive Officer, Executive Manager Corporate Services, Executive Manager Talent and Football Operations, Executive Manager Engagement and Community Football, Executive Manager Commercial, Communications and Strategy, Executive Manager Governance, Strategy & Workforce Planning, Acting Executive Manager People, Culture and Safety, Executive Manager People, Culture and Safety, Executive Manager Country Football & Facilities.

	2019	2018
	\$	\$
Short term employee benefits	1,256,341	1,063,602
	<u>1,256,341</u>	<u>1,063,602</u>
Number of Key Management Personnel	7	6

- e) The directors of Indian Pacific Limited ("IPL") during the financial year were:

R Gibbs (Chairman)
P Carter (Deputy Chairman)
P Fitzpatrick
T Nisbett
C Wharton
T Bowen
J Langer
Z Yujnovich

Director transactions with Indian Pacific Limited

A number of directors of Indian Pacific Limited, or their director-related entities hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

The terms and conditions of these transactions with directors and their director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year to directors and their director-related entities were as follows:

Director	Service	Income / (Expense)	Receivable /	Service	Income / (Expense)	Receivable /

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		2019 GST exclusive	(Payable) at 31 October 2019		2018 GST exclusive	(Payable) at 31 October 2018
Trevor Nisbett, West Coast Eagles	6 x A Reserve Memberships	4,636	-	5 x A Reserve Memberships	3,773	-
Russell Gibbs, Hawaiian Pty Ltd	4 x E Reserve Memberships	1,490	-	Sponsorship 2018	190,000	-
	10 x D Reserve Memberships	4,727	-			
	Sponsorship 2019	160,000	-			
Chris Wharton, Seven West Media	None during FY19			Sponsorship 2018	-	-
Peter Carter, Crosby Tiles	4 x A Reserve Memberships	3,091	-	4 x A Reserve Memberships	3,018	-
Paul Fitzpatrick, Clayton Utz	12 Seat Corporate Suite	62,523	-	12 Seat Corporate Suite	53,818	-
	2 x A Reserve Memberships	1,545	-	2 x A Reserve Memberships	1,509	-

f) The directors of Fremantle Football Club Limited ("FFCL") during the financial year were:

D Alcock (non-executive chairman)
S O'Reilly (retired 30 November 2019)
P Mann
C Carter
A Hall
T Grist
S Murphy
C Hayward

Other than four category two memberships for the 2019 and 2018 AFL Premiership Seasons with a market value of \$3,196 and \$3,196 respectively, received by each director, no income was paid or payable, or otherwise made available, in respect of the financial year, or the previous financial year, to any director of the Company, directly or indirectly, from the Company or any related party.

24. SUBSEQUENT EVENTS

No other matters or events have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of its operations or the state of affairs of the Group in subsequent financial periods.

Consolidated		WAFC Inc.	
2019	2018	2019	2018
\$	\$	\$	\$

25. AUDITORS' REMUNERATION

Amounts received or due and receivable by Ernst & Young Australia for:

- an audit or review of the financial report of the entity and any other entity in the Group	198,142	211,429	70,300	72,523
- other services in relation to the entity and any other entity in the Group	19,490	29,320	-	-
	<u>217,632</u>	<u>240,749</u>	<u>70,300</u>	<u>72,523</u>

WEST AUSTRALIAN FOOTBALL COMMISSION INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

26. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group's principal financial instruments comprise receivables, payables, available for sale investments, cash and short-term deposits.

Risk management is carried out by the Governance Committee under policies approved by the Board of Commissioners. The Commissioners provide written principles for overall risk management, as well as policies covering specific areas, such as mitigating interest rate and credit risks.

The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

	Fixed interest rate maturing in:										Total carrying amount as per the Statement of Financial Position		Weighted average effective interest rate			
	Floating interest rate		1 year or less		Over 1 to 5 years		More than 5 years		Non-interest Bearing						31 October 2019	31 October 2018
	31 October 2019	31 October 2018	31 October 2019	31 October 2018	31 October 2019	31 October 2018	31 October 2019	31 October 2018	31 October 2019	31 October 2018	31 October 2019	31 October 2018	31 October 2019	31 October 2018	31 October 2019	31 October 2018
Financial Assets																
Cash assets	36,834,056	56,118,874	-	-	-	-	-	-	-	-	-	36,834,056	56,118,874	1.55%	3.00	
Trade receivables	-	-	-	-	-	-	-	-	-	-	-	6,930,527	8,218,766	N/a	N/a	
Other debtors	-	-	-	-	-	-	-	-	-	-	-	1,030,572	1,824,879	N/a	N/a	
Loan receivable - current	-	-	-	-	-	50,626	-	-	-	-	-	33,750	584,376	3.00%	3.00	
Investments	-	-	26,638,646	28,888,120	-	-	-	-	-	-	-	35,294,804	32,536,128	1.69%	N/a	
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	97,558	163,982	N/a	N/a	
Loan receivable - non current	-	-	-	-	254,168	195,831	-	-	-	-	-	321,668	297,081	N/a	N/a	
Total financial assets	36,834,056	56,118,874	26,638,646	28,888,120	254,168	195,831	-	-	-	-	16,816,065	80,542,935	99,744,086			
Financial Liabilities																
Payables	-	-	-	-	-	-	-	-	-	-	-	13,490,934	20,978,208	N/a	N/a	
Other non-current liabilities	-	-	-	-	-	-	-	-	1,327	1,327	74,242	75,785	174,558	N/a	N/a	
ANZ loan facility	-	-	-	5,606,348	-	-	-	-	-	-	-	-	5,606,348	N/a	6.00	
Total financial liabilities	-	-	-	5,606,348	-	-	-	-	1,327	1,327	13,565,176	13,566,719	26,759,114	-	-	

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FOR THE YEAR ENDED 31 OCTOBER 2019

26. FINANCIAL INSTRUMENTS (continued)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date:

At 31 October 2019, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements	Post tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2019 \$	2018 \$	2019 \$	2018 \$
Cash				
Consolidated				
+0.50%	184,170	281,102	184,170	281,102
-0.50%	(184,170)	(281,102)	184,170	(281,102)
Loan				
Consolidated				
+0.50%	-	(28,032)	-	(28,032)
-0.50%	-	28,032	-	28,032

* The method used to arrive at the reasonably possible change of 50 basis points was based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, there was a bias towards an increase in interest rate ranging between 0 to 50 basis points, however financial markets have factored in a likely decrease in the current rate. It is considered that 50 basis points is a 'reasonably possible' estimate as it accommodates for the maximum variations inherent in the interest rate movement over the past five years.

(b) Fair values

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

(c) Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise bank loans, finance leases and cash and short-term deposits.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, and available for sale financial assets. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments as well as \$nil in relation to certain unlisted available-for-sale investments – see Note 9 for further information.

The Group only trades with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. It is the Group's policy that major customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their financial position, past experience or industry reputation.

Risk limits are set for each individual customer in accordance with parameters set by the Commissioners. These risk limits are regularly monitored.

In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Group and the financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

Foreign exchange risk

The Group's exposure to foreign exchange risk is minimal.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. Management monitors rolling cash flow forecasts to manage liquidity risk. The only financial liabilities of the Group at balance date are trade and other payables. The amounts are unsecured and are usually paid within 30 days of recognition.

THANKS TO OUR PARTNERS





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