KARDINIA PARK
STADIUM TRUST

ANNUAL REPORT
2016 -2017

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CEO'S REPORT

On behalf of the State Government of Victoria (Government) and in accordance with the Kardinia Park Stadium Act 2016, the Kardinia Park Stadium Trust (Trust) is responsible for managing the Kardinia Park Stadium (Stadium), an asset in excess of $170 million of sporting and recreational facilities.

In its first year of operation, the Trust reported a net profit after depreciation of $311,000 while earnings before interest, tax, depreciation and amortisation (EBITDA) was $1,724 million.

This year over 284,000 people visited the Stadium, making it one of the busiest multi-purpose regional sports stadiums in the country. The lead tenant, the Geelong Football Club (GFC), enjoyed a successful home and away season finishing second on the AFL ladder and averaging 30,000 attendees for each of their seven home games.

The asset management, operations and maintenance of the stadium has until now been the cornerstone of the Trusts' ongoing ability to deliver and support the organisations objectives, as set by Government.

Following the completion of the Stage 4 Redevelopment on 19 May 2017, the Trust assumed operational and management responsibilities for the new Brownlow stand, a redevelopment lead by the project principal the GFC.

The Trust looks forward to leading the Final Stage Redevelopment to increase the Stadium's capacity to 40,000.

The Stadium has hosted the Melbourne Victory in the Hyundai A-League and played host to its first International T20 match when Australia played Sri Lanka in February 2017. The venue also hosts local AFL Barwon Football Finals, school passing out parades and charity lunches.

As well as facilitating casual and recreational use of our stadium, the Trust each year supports a range of community activities and events.

The Trust maintains its strong commitment to the health and safety of our employees, guests and contractors. This is underpinned by the Trust's OH&S driven culture, which encourages collaboration, consultation and safety first, across all levels of the organisation.

Finally, my deep appreciation to the Chairman of the Trust, the Hon Mr Steve Bracks AC, who for eighteen (18) months has tirelessly lead and built the Trust, and to our six (6) Trustees who have made an outstanding commitment to building an organisation that not only manages the Stadium but actively contributes to the Geelong community.

Special thanks to the Trust management and staff who continue their passion and commitment to delivering the best Stadium and events for the people of regional Victoria.

I would also like to personally thank the Minister for Sport, the Hon. John Eren, and the team at Sport & Recreation Victoria for their support and assistance in enabling the Trust to continue to be the premier regional stadium in Australia.

Michael Brown, Chief Executive

OUR ORGANISATION

ACCOUNTABLE OFFICER'S DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Kardinia Park Stadium Trust for the year ending 30 June 2017.

Steve Bracks.

The Hon Steve Bracks AC
Chairman
22 August 2017

STANDING DIRECTION 3.7.1 –
RISK MANAGEMENT FRAMEWORK AND PROCESSESS

I, Michael Brown certify that the Kardinia Park Stadium Trust has complied with the Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes. The Kardinia Park Stadium Trust Finance, Audit & Risk Sub-Committee verifies this.

Mr. Michael Brown
CEO/Accountable Officer
22 August 2017

OUR ORGANISATION

ESTABLISHMENT AND FUNCTIONS

In January 2015, the State Government of Victoria (Government) announced its intention to establish the Kardinia Park Stadium Trust (KPST or the Trust), a statutory authority established under its own Act of Parliament to oversee the development and operations of the Kardinia Park Stadium (the Stadium), located in the City of Greater Geelong.

The Kardinia Park Steering Committee comprising of the Hon. Steve Bracks AC, Professor Jane den Hollander and Mr. Stephen Gough was established to provide advice to Government on the formal establishment of the Trust.

On 16 March 2016, the Kardinia Park Stadium Act 2016 was proclaimed by Parliament and the Trust was established.

The Trust is established to administer, promote and manage the Kardinia Park Stadium Trust Land, within an over-arching objective of contributing to the economic, community, and livability benefits to Geelong and the broader region, that arise from the use of the Stadium.

The Trust is custodian of the Stadium and adjacent hard stand car park facilities equating to 7.035 hectares of space within Kardinia Park.

On major event days (inclusive of AFL Match Days), the Trust assumes custodian responsibility for the Stadium and adjacent parkland (excluding Kardinia Pool), equating to 20.6 hectares of space within Kardinia Park.

The Stadium is home to the Geelong Football Club and acts as a host to other professional sporting codes such as the A-League Football, Australian Rugby Union, National Rugby League, Cricket Victoria and Cricket Australia.

The purpose of the Trust is:

"To oversee the Precinct to optimise economic, community and livability benefits for the region and the State".

The objectives of the Trust are to:

- Promote the Precinct and facilitate alignment of stakeholder objectives
- Manage and develop the Precinct's assets
- Increase utilisation of the Precinct's assets
- Support and engage the Precinct's users and community groups

As defined in the Act the Trust has all powers necessary to perform the following functions:

a) To be responsible for the care, improvement, use and promotion of the Kardinia Park Trust Land as facilities for sports, recreation and entertainment and related social and other activities;

b) To be responsible for the proper financial management of the Kardinia Park Trust Land;

c) To provide for the planning, development, promotion, management, operation and use of other sports, recreation and entertainment facilities and services in Victoria for which the Trust has responsibility;

d) To provide for the planning, development, promotion, management, operation and use of facilities and services for car parking and other necessary services to be used in conjunction with any of the facilities operated or managed by the Trust;

e) To accept appointment and act as the committee of management of Crown Lands;

f) To be responsible for the operation of the Kardinia Park Trust Land with the objective of contributing to the economy, community and liveability of the Geelong region and the State; and

g) To perform any other function conferred on or given to the Trust by or under this Act or any other Act.

OUR ORGANISATION

VISION, MISSION AND VALUES

The Kardinia Park Stadium Trust Vision, Purpose and Values are:

Our Vision

To provide world class facilities and service for our community

Our Mission

We will achieve this by:

- Putting our customer's first
- Having the right people in the right roles
- Understanding, listening and responding to all our stakeholders
- Embracing innovation in the business

Our Values

CUSTOMER FOCUS **–** *WE PLACE OUR CUSTOMERS AT THE CENTRE OF EVERYTHING WE DO*

Customer satisfaction is paramount to our success. We respect our customers and listen to their needs to deliver and exceed their expectations.

OWNERSHIP **–** *WE FOLLOW THROUGH WITH OUR SOLUTION*

A problem is an opportunity in disguise for an individual to own and resolve.

COMMUNICATION **–** *EVERYONE HAS A VOICE*

We encourage and embrace honest and open communication with all our stakeholders.

INNOVATION **–** *WE EMBRACE INNOVATION AND LEARNING*

We challenge the status quo and aspire to continuously improve. We all lead by example and inspire change.

RESPECT *– WE COMMIT TO PLAY AS A TEAM*

Teamwork is about working together to utilise everyone's strengths. We always demonstrate a high regard and understanding for others. Optimal solutions come from collaboration. Collaboration comes from respect.

LEADERSHIP **–** *WE WORK TO EXCEED EXPECTATIONS*

Everything we do is performed to guide and inspire others through our behaviors, a belief in our vision and the conviction of our decisions.

FINANCIAL STABILITY **–** *WE WORK TO MAXIMISE THE UTILISATION OF THE STADIUM THROUGH INCREASED REVENUE OPPORTUNITIES AND REDUCED COSTS OF OPERATION*

We must ensure the investment in the infrastructure is fully utilised and that we generate commercial revenues and returns from our assets.

OUR ORGANISATION

TRUSTEES

The Trust consists of a Chairperson, the Hon Steve Bracks AC and the following members:

- Professor Jane Den Hollander
- Mr. Michael Malouf
- Ms. Rebecca Casson
- Ms. Elizabeth Mears
- Ms. Gillian Costa
- Mr. Simon Guthrie

EXECUTIVE TEAM

The Executive Management Team consists of a variety of well-qualified and diverse professionals, listed below:

- Chief Executive – Mr. Michael Brown
- Chief Operating Officer – Ms. Natalie Valentine
- General Manager Finance & Corporate Services – Ms. Daphne Henderson

FINANCE AUDIT AND RISK SUB-COMMITTEE

The Finance Audit Risk Sub-Committee (Committee) consists of the following member's independent from Management:

- Mr. Michael Malouf – Chair
- Ms. Elizabeth Mears – Trustee
- Mr. Tony Ficca – Independent Member

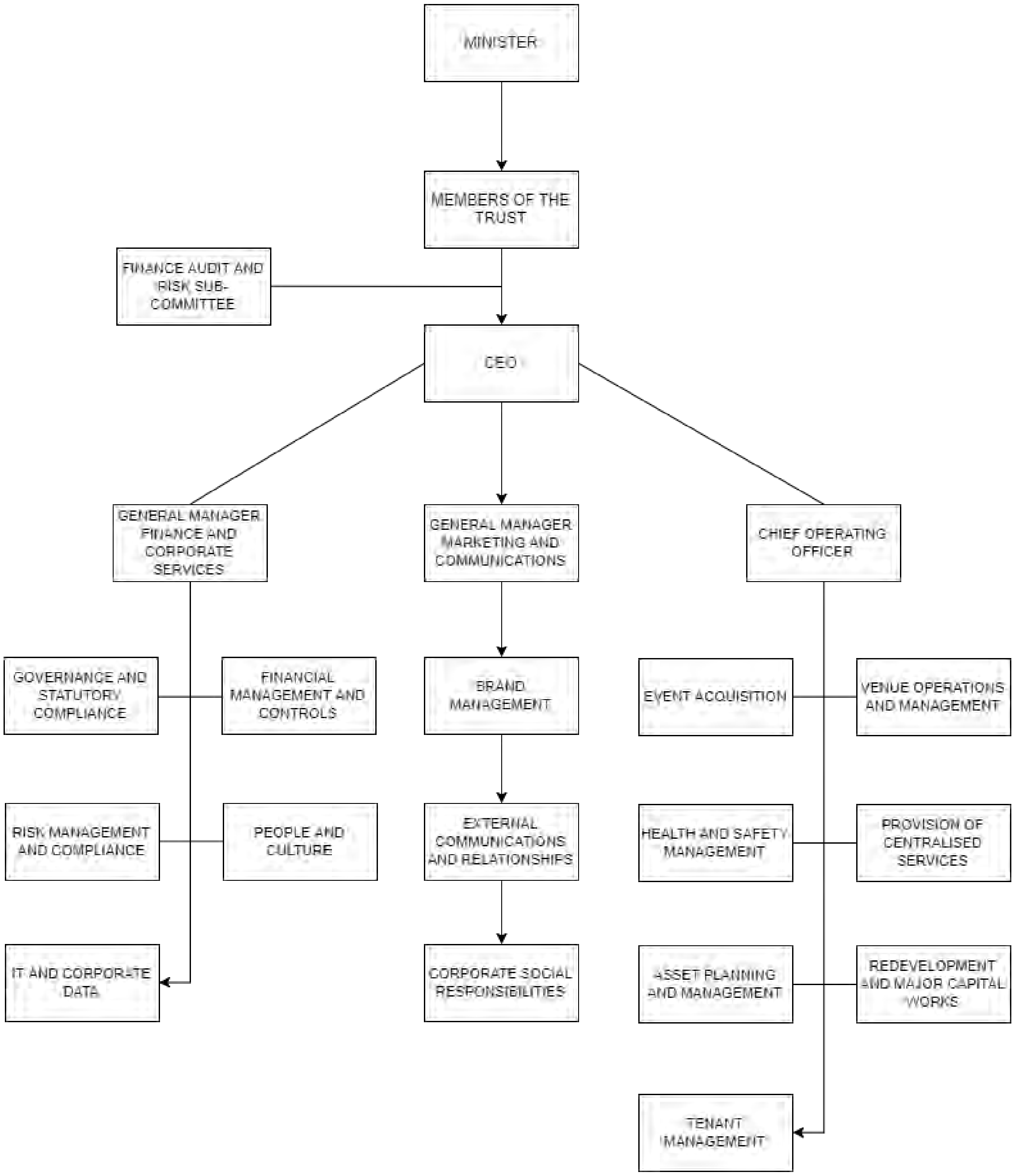
The main responsibilities of the Committee are to:

- review and report independently to the Trustees on the Annual Report and all other financial information published by the Trust;
- assist the Trustees in reviewing the effectiveness of the Trust's internal control environment covering:
    - effectiveness and efficiency of operations
    - reliability of financial reporting
    - compliance with applicable laws and regulations
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors; and
- oversee the effective operation of the risk management framework.

The Committee meets monthly or more often if required and makes recommendations to the Trust on specific issues.

OUR ORGANISATION

ORGANISATIONAL STRUCTURE



OUR ORGANISATION

ACHIEVEMENTS 2016 – 2017

- AFL Barwon Auskick Clinic (1 event)
- AFL Barwon GFL Finals (4 event days, 12 matches)
- AFL Home & Away Series, Geelong Football Club (8 matches)
- All Australian Beach Body, Sally Fitzgibbon (1 event)
- Atletico Madrid vs Melbourne Victory (1 event)
- A-League, Melbourne Victory vs Newcastle Jets (1 match)
- Fare on the Field (1 event)
- Girls Carnival of Cricket, Cricket Victoria (1 event)
- Maguire Awards, Sacred Heart College (1 event)
- Mark West Foundation Sports Clinic (1 event)
- NAB U18 National Championships (1 match)
- Open Training Day, Geelong Football Club (2 events)
- TAC Cup, Geelong Falcons (4 matches)
- T20 International, Australia vs Sri Lanka (men) (1 event)
- T20 International, Southern Stars Vs New Zealand (women's) (1 event)
- VFL, Geelong Football Club (2 pre-season and 7 season matches)

EVENT ATTENDANCES

- AFL Match Day Attendance 208,276
- VFL Match Day Attendance 7,235
- TAC Match Day Attendance 2,390
- AFL Barwon Finals Attendance 13,840
- International Football Exhibition 12,933
- A-League Attendance 14,081
- T20 International 13,647
- Community Events 9,738

KEY STATISTICS

Number of Contracted Event Days	38
Total Attendances	282,140
Total Ground Usage	1,513 hours
Total Tweet Impressions	17,541

OUR PARTNERS

The Trust wish to thank the following organisations for their support over the past year.

Tenants

- Barwon Sports Academy
- Basketball Victoria
- Cricket Victoria
- Football Federation Victoria
- Geelong Cricket Association
- Geelong Football Club
- Leisure Networks
- Tennis Victoria

Business Partners

- Direct Recruitment
- MA Security
- O'Brien Catering Group
- Pitchcraft
- QuayClean

Regular Hirers

- AFL Barwon
- Barwon Health
- Cricket Australia
- Cricket Victoria
- Melbourne Victory

OUR ORGANISATION

KEY OBJECTIVES

The Kardinia Park Stadium Trust identified the following Business Objectives in the 2016/2017 Business Plan.

BUSINESS OBJECTIVES	Status/Result	Variation/Explanation
Deliver one key improvement as part of environmental review	Achieved	Improved efficiency by 39% in recycling and co-mingling
Standardisation of all contractors into a contract management framework	Achieved	Contractors are managed via an online web-portal
Deliver a minimum of seven (7) AFL Home and Away Series matches per annum	Achieved	
Deliver three (3) new events	Achieved	A League Football Match; T20 International Cricket, Sally Fitzgibbons AABB; Mark West Foundation
Maintain a cash flow positive operating business	Achieved	
Reduce the overall budgeted operating expenses by 5%	Achieved	
Operate under a communications engagement strategy that includes all stakeholders	Not Achieved	Appointment of a General Manager - Marketing & Communications in early August 2017 will assist to drive this objective
Increase the number of community based organisations that use the facility	Not Achieved	Current level maintained
Demonstrate a minimum investment in the training of all staff	Not Achieved	Engaged Leading Teams to commence in September 2017. Employee engagement and alignment framework to be established.

ADMINISTRATIVE REPORTING REQUIREMENTS

FINANCIAL REVIEW OF OPERATIONS

The 2016/2017 financial year was the first year of operation for Kardinia Park Stadium Trust (Trust). The Trust recorded an operating profit before depreciation of $1.750 million. Which included Operational funding from government of $4.432 million. After taking account depreciation charge of $1,439 million for the year, the Trust recorded a surplus of $311k.

In addition to the Government grant, the Trust received income from tenants (Geelong Football Club and Sports House) and event related income for usage of stadium $497K and interest of $26K.

Total expenditure in 2017 was $5,468 million. Employee expenses accounted for $1,421 million and other operating expenses totalled $2,608 million. Depreciation charge of $1,439 million for 2017 will increase in 2018 due to the completion of the Brownlow stand.

Property, Plant and Equipment increased by $169.9 million during the year upon the transfer of assets to the Trust and the completion of the Stage 4 redevelopment of the Brownlow Stand.

KPST recorded a cash held balance as at 30 June 2017 of $0.6 million.

ADMINISTRATIVE REPORTING REQUIREMENTS

CONSULTANCY SERVICES

Details of consultancies of $10,000

($ thousand)

Consultant	*Purpose of Consultancy*	*Expenditure 2016-17 (excl. GST)*
Waypoint	Development of business case document & project leadership and advocacy assistance	$168
Lander Rogers	Legal advisory services	$115
Hatamoto	Development of Security Management Plan	$85
PMY Group PTY Ltd	Technology Enhancement Strategy	$65
SMC Strategies	Government Relations/Lobbyist	$63
Deloitte	Economic Impact Assessment	$54
Dean Hassell Consulting	Environmental Scan Design	$33
Strategon Capital Pty Ltd	Strategic Planning and KPI Setting	$31
St. Quentin Consulting Pty Ltd	Surveying for Land Orders	$21

Details of consultancies less than $10,000

Number: 5

Total Amount: $26,451

ICT Expenditure

For the 2016-17 reporting period, the Trust had a total ICT expenditure of $308,000, with the details shown below.

($ thousand)			
All operational ICT expenditure	*ICT expenditure related to projects to create or enhance ICT capabilities*		
Business As Usual (BAU) ICT expenditure	*Non-Business As Usual (non-BAU) ICT expenditure*	*Operational expenditure*	*Capital expenditure*
(Total)	(Total = Operational expenditure and capital expenditure)		
50	**258**	**75**	**184**

ICT expenditure refers to KPST's costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing KPST's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.

ADMINISTRATIVE REPORTING REQUIREMENTS

HUMAN RESOURCES

The Trust has set various business objectives around its People and Culture through the recruitment of a strong team of professionals. To support this, the Senior Management Team is establishing sound training, development and performance plans

EMPLOYEE ASSISTANCE PROGRAM

The Trust has set up an Employee Assistance Program (EAP) to provide employees and their immediate family members with access to free, confidential counselling to help address work and personal issues.

STATEMENT OF WORKFORCE DATA

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity. The Commissioner establishes minimum standards (the Standards) of merit, equity and probity to be complied with in the public sector (s.21 of the *Public Sector Management Act 1994* [the Act]).

The Trust is committed to these two codes.

The total number of personnel employed by the Kardinia Park Stadium Trust as at 30 June 2017 was 29.

DETAILS OF EMPLOYEE LEVELS

	Jun-17						
	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (headcount)	Part-time (Headcount)	FTE	Number (headcount)	FTE
Gender							
Male	14	5	4	0	4	10	1
Female	15	8	4	1	4	10	2
Age							
25-34	2					18	
35-44	6		4	1		1	
45-54	1		1			1	
55-64	2		2				
Total employees	**29**	**13**	**8**	**1**	**8**	**20**	**3**
Executives	3	3	3	0	3	0	0

ADMINISTRATIVE REPORTING REQUIREMENTS

SAFETY, RISK MANAGEMENT AND COMPLIANCE

The Trust has a Risk Management Framework and Workplace Health and Safety Management System; these have been developed and implemented within a position guided by Victorian Managed Insurance Authority VMIA, Victorian OH&S legislation and International standards.

These are assisting the Trust to develop organisational wide capabilities in risk and safety management.

The Trust is committed to provide and maintain an environment that is safe for all who visit and work within the stadium or who may be affected by our business operations. The Trust aspires to eliminate risks to health and safety, and where elimination is not reasonably achievable, to reduce risk to health and safety so far as is reasonable practicable.

KPST PERFORMANCE AGAINST OH&S MANAGEMENT MEASURES

Measure	*KPI*	*2016-17*
Incidents	No. of incidents	38
	Rate per 100 FTE	1
Claims	No. of standard claims [(a)]	0
	Rate per 100 FTE	0
	No. of lost time claims [(a)]	0
	Rate per 100 FTE	0
	No. of claims exceeding 13 weeks [(a)]	0
	Rate per 100 FTE	0
Fatalities	Fatality claims [(b)]	0
Claim costs	Average cost per standard claim [(a)]	$0
Return to work	Percentage of claims with RTW plan <30 days	0%
Management commitment	Evidence of OH&S policy statement, OH&S objectives, regular reporting to senior management of OH&S, and OH&S plans (signed by CEO or equivalent).	completed
	Evidence of OH&S criteria(s) in purchasing guidelines (including goods, services and personnel).	completed
Consultation and participation	Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs).	completed
	Compliance with agreed structure on DWGs, HSRs, and IRPs.	completed
Risk management	Percentage of internal audits/inspections conducted as planned.	100%
	Percentage of issues identified actioned arising from:	
	· internal audits;	100%
	· HSR provisional improvement notices (PINs); and	0%
	· WorkSafe notices.	0%
Training	Percentage of managers and staff that have received OH&S training:	
	· induction;	100%
	· management training; and	16%
	· contractors, temps, and visitors.	In-progress
	Percentage of HSRs trained:	
	· acceptance of role;	In- progress
	· re-training (refresher); and	In-progress
	· reporting of incidents and injuries.	100%

ADMINISTRATIVE REPORTING REQUIREMENTS

FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* allows for the public a right of access to documents held by the Trust. For the 12 months to 30 June 2017, the Trust received no request for information pursuant to the Freedom of Information Act 1982.

MAKING A REQUEST

Access to documents can be lodged online at www.foi.vic.gov.au as detailed in s17 if the Freedom of Information Act 1982.

The General Manager Finance and Corporate Services is the contact officer in relation to all Freedom of Information request. Access to documents may also be obtained through written request to the General Manager Finance and Corporate Services, addressed as follow:
Freedom of Information
Kardinia Park Stadium Trust
PO Box 2128, Geelong, VIC, 3220.

Access to charges may also apply once documents have been processed and a decision on access is made; for example, photocopying and search retrieval charges.

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au

STATEMENT OF COMPLIANCE WITH BUILDING ACT 1993.

The Trust complies with the relevant guidelines pursuant to Section 220 of the *Building Act 1993.*

NATIONAL COMPETITION POLICY

The Trust applies and regularly reviews its activities in line with the principals of competitive neutrality to all commercial operations in accordance with the Victorian Government Competitive Neutrality Policy. The Trust takes necessary action to implement competitive neutrality measures where required.

IMPLEMENTATION OF THE VICTORIAN INDUSTRY PARTICIPATION POLICY

The *Victorian Industry Participation Policy Act 2003* requires department and public sector bodies to report on the implementation of the Victorian Industry Participation Policy (VIPP). The Trust is required to apply VIPP in all tenders over $1 million. During the 2016/2017 the Trust did not commence or complete a contract to which VIPP applied.

GOVERNMENT ADVERTISING EXPENDITURE

The Trust did not undertake any advertising campaigns that triggered the disclosure threshold of $100,000 in the 2016/17 financial year.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Relevant information detailed in the Financial Reporting Direction [FRD] 22H “Standard Disclosures in Report of Operations” under the *Financial Management Act 1994* Section 3 is retained by the Trust’s Accountable Officer and is available on request, subject to the *Freedom of Information Act.*

COMPLIANCE WITH THE PROTECTED DISCLOSURE ACT 2012

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Trust does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. The Trust will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

REPORTING PROCEDURES

Disclosures of improper conduct or detrimental action by the Trust or any of its employees and/or officers may be made to the following officer:

The Protected Disclosure Coordinator and Officer:

Daphne Henderson

General Manager Finance and Corporate Services
PO Box 2128,
Geelong, VIC, 3220
Email: daphne.henderson@kardiniaprk.vic.gov.au

Alternatively, disclosures of improper conduct or detrimental action by the Trust or any of its employees and/or officers may also be made directly to the Independent Broad-based Anti-Corruption Commission:

Level 1,
459 Collins Street (North Tower)
Melbourne VIC 3000

Telephone: 1300 735 135
Internet: www.ibac.vic.gov.au
Email: (refer website above)

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017.

Comprehensive operating statement
For the year ended 30 June 2017

($ thousand)

	Notes	2017
Income from transactions		
Interest	2A	26
Sale of goods and services	2B	1,321
Grants	2C	4,432
Total income from transactions		**5,779**
Expenses from transactions		
Employee expenses	3A	1,352
Depreciation	3B	1,439
Other operating expenses	3C	2,608
Total expenses from transactions		**5,399**
Net result from transactions (net operating balance)		**380**
Other economic flows included in net result		
Net gain/(loss) arising from revaluation of long service leave liability		(69)
Total other economic flows included in net result		**(69)**
Net result		**311**
Other economic flows – other comprehensive income		
Other comprehensive income		-
Comprehensive result		**311**

The above comprehensive operating statement should be read in conjunction with the accompanying notes to the financial statements.

Balance sheet
As at 30 June 2017

($ thousand)

	Notes	2017
Assets		
Financial assets		
Cash and deposits	4	608
Receivables	5	907
Total financial assets		**1,515**
Non-financial assets		
Property, plant and equipment	6	169,947
Other non-financial assets	7	346
Total non-financial assets		**170,293**
Total assets		**171,808**
Liabilities		
Payables	8	741
Employee related provisions	9	101
Total liabilities		**842**
Net assets		**170,966**
Equity		
Accumulated surplus/(deficit)		311
Contributed capital		170,655
Net worth		**170,966**

The above balance sheet should be read in conjunction with the accompanying notes to the financial statements.

Statement of changes in equity
For the year ended 30 June 2017

($ thousand)

	Notes	Accumulated surplus	Contributed capital	Total
Net result for the year		311	-	311
Transfer to contributed capital	6B	-	170,655	170,655
Balance at 30 June 2017		**311**	**170,655**	**170,966**

The above statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Cash flow statement
For the year ended 30 June 2017

($ thousand)

	Notes	2017
Cash flows from operating activities		
Receipts		
Receipts from government		4,229
Receipts from customers		1,426
Interest received		26
Goods and services tax received from the ATO		17
Total receipts		**5,698**
Payments		
Payments to suppliers and employees		4,359
Total payments		**4,359**
Net cash flows from/(used in) operating activities	11	**1,339**
Cash flows from investing activities		
Payments for non-financial assets		(731)
Net cash flows from/(used in) investing activities		**(731)**
Net increase/(decrease) in cash and cash equivalents		**608**
Cash and cash equivalents at beginning of financial year		-
Cash and cash equivalents at end of financial year	4	**608**

The above cash flow statement should be read in conjunction with the accompanying notes to the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Kardinia Park Stadium Trust (KPST) for the period ended 30 June 2017. The report provides users with information about KPST's stewardship of resources entrusted to it.

A. STATEMENT OF COMPLIANCE

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The annual financial statements were authorised for issue by Mr Michael Malouf, Chairman of KPST Finance, Audit Risk Committee, Mr Michael Brown, Chief Executive Officer and Accountable Officer of KPST and Ms Daphne Henderson, General Manager Finance and Corporate Services, on 11 September 2017.

B. BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment (refer to Note 1 (I));
- Superannuation expense; (refer to Note 1 (F)); and
- assumptions for employee benefit provision based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

Consistent with *AASB 13 Fair Value Measurement*, KPST determines the policies and procedures for recurring fair value measurements such as property, plant and equipment, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 —** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- **Level 3 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, KPST has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, KPST determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the KPST's independent valuation agency.

KPST, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

C. REPORTING ENTITY

The financial statements cover KPST as an individual reporting entity.

KPST is a statutory authority of the State of Victoria, established pursuant to an order made by the Premier under the *Kardinia Park Stadium Trust Act*

Its principal address is:

Kardinia Park Stadium Trust
370 Moorabool Street
Geelong
VIC, 3220

Objectives and funding

The Trust has been established to administer, promote and manage the Kardinia Park Stadium Trust Land, within an over-arching objective of contributing to the economic, community, and livability benefits to Geelong and the broader region, that arise from the use of the Stadium.

D. SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market remeasurements. They include:

- gains and losses from disposals of non-financial assets;
- revaluations and impairments of non-financial physical and intangible assets.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if KPST does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

Rounding

Amounts in the financial statements have been rounded to the nearest $1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

E. INCOME FROM TRANSACTIONS

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Interest

Interest income includes interest received on bank deposits. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Income from sale of goods and services

Income from the sale of goods and services is recognised when:

- KPST no longer has any of the significant risks and rewards of ownership of the goods and services transferred to the buyer;

- KPST no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold and services provided;
- the amount of income, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the KPST.

Sale of goods and services includes rental income which is recognised at the time the rent is billed.

Grants

Contributions (other than contributions by owners) are recognised as income when KPST obtains control over the contribution.

F. EXPENSES FROM TRANSACTIONS

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

Employee expenses

Refer to the section in Note 1(K) regarding employee benefits.

These expenses include all forms of considerations (other than superannuation which is accounted for separately) given by KPST in exchange for service rendered by employees or for the termination of employment. This includes wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

Details of the funds which the Trust made superannuation contributions to during the year are disclosed in Note 15.

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, and land) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate
the asset's value, less any estimated residual value, over its estimated useful life. Refer to Note 1 (I) for the depreciation policy for leasehold improvements.

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

The following are typical estimated useful lives for the different asset classes for both current and prior years:

Asset	Useful life
	2017
Buildings	25-110 years
Plant and equipment	5-25 years
Office Furniture	5-10 years

Land is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because its service potential has not, in any material sense, been consumed during the reporting period.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and services

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

G. OTHER ECONOMIC FLOWS INCLUDED IN THE NET RESULT

Other economic flows are the change in the volume or value of assets or liabilities that does not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/(losses) of non-financial physical assets

Refer to Note 1(I) Revaluations of non-financial physical assets.

Net gain/(loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the determined after deducting the proceeds from the carrying value of the asset at the time.

Impairment of non-financial assets

All of KPST's non-financial assets are assessed annually for indications of impairment, except for inventories.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as another economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Refer to Note 1(I) in relation to the recognition and measurement of non-financial assets.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

H. FINANCIAL ASSETS

Cash and deposits

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank. For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as borrowings on the balance sheet.

Receivables

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services, accrued investment income; and
- statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(J) *Financial Instruments* for recognition and measurement).
Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

The average credit period for sales of goods and services and for other receivables is 30 days. No interest is charged on other receivables for outstanding balances.

Impairment of financial assets

At the end of each reporting period, KPST assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets.*

I. NON-FINANCIAL ASSETS

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired
for no or nominal cost, the cost is its fair value at the date of acquisition.

Non-financial physical assets such as Crown land and heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

The fair value of plant and equipment, is normally determined by reference to the asset's depreciated replacement cost.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour
on the project, and an appropriate proportion of variable and fixed overheads.

For the accounting policy on impairment of non-financial physical assets, refer to Note 1(G) *Impairment of non-financial assets.*

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 6 *Property, plant and equipment.*

Leasehold improvements

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

Restrictive nature of Crown land

During the reporting period, KPST also holds Crown land that KPST intends to preserve because of their unique environmental attributes.

As there are limitations and restrictions imposed on Crown land use and/or disposal, they may impact the fair value of those assets, and should be taken into account when the fair value is determined.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the FRDs issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows – other comprehensive income', and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decrease is recognised in 'other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows – other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment, are offset against one another in that class but are not offset in respect of assets in different classes. The asset revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

Other non-financial assets

Prepayments and accrued income

Other non-financial assets include accrued income and prepayments. Prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period. Accrued income must be recorded in the accounting period in which it is earned rather than in the subsequent period in which it will be received.

J. FINANCIAL INSTRUMENTS

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of KPST's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer onbehalf of KPST are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and Receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(H)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of KPST's contractual payables, deposits held and advances received, and interest bearing arrangements other than those designated at fair value through profit or loss.

K. LIABILITIES

Payables

Payables consist of:

- contractual payables, such as accounts payable and including deferred income from concession notes. Accounts payable represent liabilities for goods and services provided to KPST prior to the end of the financial year that are unpaid, and arise when KPST becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Provisions

Provisions are recognised when KPST has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits annual leave, are all recognised in the provision for employee benefits as 'current liabilities', because KPST does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- nominal value – if KPST expects to wholly settle within 12 months; or
- present value – if KPST does not expect to wholly settle within 12 months.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where KPST does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- nominal value – if KPST expects to wholly settle within 12 months; and
- present value – if KPST does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the
requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised in the 'net result from transactions', except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the net result as another economic flow (refer to Note 1(G)).

On-costs related to employee expenses

On-costs such as payroll tax, and workers compensation are recognised separately from the provision for employee benefits.

Other liabilities

Other liabilities include deferred revenue and other revenue received in advance. Revenue received in advance is presented in the subsequent accounting periods in which the services or obligations have been performed.

L. LEASES

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are

classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownerships from the lessor to the lessee. All other leases are classified as operating leases

Finance Lease

KPST does not hold any finance leases

Operating Lease

KPST as lessee

Operating lease payments are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term. The leased asset is not recognised in the balance sheet. KPST does not hold any operating leases as lessee.

KPST as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

M. EQUITY

Contributed Capital

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of KPST.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

N. COMMITMENTS

Commitments for future expenditure include operating and capital commitments arising from contracts. These

commitments are disclosed by way of a note at their nominal value and are inclusive of the GST payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

O. CONTINGENT ASSETS AND CONTIGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note refer to Note 12 Contingent Assets and Note 13 Contingent Liabilities and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

P. ACCOUNTING FOR THE GOODS AND SERVICES TAX (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as an operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST (refer to Note 1(O) and Note 1(P)).

Q. EVENTS AFTER THE REPORTING PERIOD

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

R. AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new Australian accounting standards (AAS) have been published that are not mandatory for the 30 June 2017 reporting period. DTF assesses the impact of all these new standards and advises KPST where applicable.

As at 30 June 2017, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the following table. KPST has not and does not intend to adopt these standards early.

Standard/Interpretation[1]	Summary	Applicable for annual reporting periods beginning on	Impactonpublicsectorentity financial statements
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	While the preliminary assessment has not identified any material impact arising from ASB 9, it will continue to be monitored and assessed.
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010)	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: • The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and • Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.

AASB 2014-1 *Amendments to Australian Accounting Standards [Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.

AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.
AASB 1058 *Income of Not-for-Profit Entities*	This Standard will replace AASB 1004 Contributions and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives.	1 Jan 2019	The changes in revenue recognition requirements in AASB 1058 may result in changes to the timing and amount of revenue recorded in the financial statements.

NOTE 2. INCOME FROM TRANSACTIONS

2 (A) Interest income

($ thousand)

	2017
Interest on bank deposits	26
Total interest	**26**

2 (B) Sale of goods and services

	2017
Rendering of services	1,321
Total sale of goods and services	**1,321**

2 (C) Grants

	2017
General purpose	4,432
Total grants	**4,432**

NOTE 3. EXPNESES FROM TRANSACTIONS

3 (A) Employee benefits in the comprehensive operating statement

($ thousand)

	2017
Salaries and wages, annual leave and long service leave	1,259
Superannuation contribution expense	93
Total employee expenses	**1,352**

3 (B) Depreciation

	2017
Buildings	1,117
Plant and equipment	322
Total depreciation	**1,439**

3 (C) Other operating expenses

	2017
Supplies and services	
Purchase of services	1,631
Maintenance	977
Total other operating expenses	**2,608**

NOTE 4. CASH AND DEPOSITS

($ thousand)

	2017
Cash at bank	608
Total cash and deposits	**608**

For the purposes of the cash flow statement, cash assets include cash on hand and in bank and are subject to insignificant risk of change in value, net of outstanding bank overdrafts.

NOTE 5. RECEIVEABLES

	2017
Contractual	
Sale of goods and services	842
Statutory	
GST input tax credit recoverable	65
Total receivables	**907**
Represented by	
Current receivables	907

(A) AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES

Please refer to Note 17 (table 17.4) for the ageing analysis of contractual receivables.

(B) NATURE AND EXTENT OF RISK ARISING FROM CONTRACTUAL RECEIVABLES

Please refer to Note 17 for the nature and extent of risk arising from contractual receivables.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

(A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

($ thousand)

	Gross carrying amount	*Accumulated depreciation*	*Net carrying amount*
	2017	*2017*	*2017*
Land at fair value	6,000	-	6,000
Buildings at fair value	136,589	(1,117)	135,472
Plant and equipment at fair value	28,463	(322)	28,140
Capital work in progress at cost	335	-	335
Net carrying amount	**171,386**	**(1,439)**	**169,947**

(B) MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT FOR KPST

	Land At fair value	*Buildings At fair value*	*Plant and equipment at fair value*	*Capital work in progress at cost*	*Total*
	2017	*2017*	*2017*	*2017*	*2017*
Opening balance	-	-	-	-	-
Fair value of assets provided free of charge as capital contribution	6,000	136,476	28,179	-	170,655
Additions	-	113	283	335	731
Depreciation	-	(1,117)	(322)	-	(1,439)
Closing balance	**6,000**	**135,472**	**28,140**	**335**	**169,947**

(C) AGGREGATE DEPRECIATION RECOGNISED AS AN EXPENSE DURING THE YEAR

	2017
Buildings	1,117
Plant and equipment	322
Total depreciation	**1,439**

NOTE 6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land at fair value
Land was independently revalued with effect to 31 October 2016 for the purpose of determining fair value for initial accounting recognition purposes by the Kardinia Park Stadium Trust. The valuation was conducted by the Valuer-General Victoria. Due to restrictions on the usage of the land, a notional discount of 50% known as "Community Service Obligation" has been applied to the Unrestricted Land Value.

Buildings and plant and equipment at fair value
Buildings and plant and equipment were revalued with effect to 1 July 2016 for the purpose of determining fair value for initial accounting recognition purposes by the Kardinia Park Stadium Trust. The valuation was conducted by Deloitte Touche Tohmatsu who have provided replacement cost and depreciated replacement cost on the inspected assets. Works in Progress at the date of the valuation in relation to Stage 4 of the stadium redevelopment were not included in the valuation, nor have the works in progress at 30 June 2017 in relation to Stage 5 of the stadium redevelopment.

Fair value measurement hierarchy for assets

($ thousand)

	Carrying amount as at 30 June 2017	*Fair Value Measurement as at 30 June 2017 using:*		
		Level 1	*Level 2*	*Level 3*
Land at fair value				
Specialised land	6,000	-	-	6,000
Total of land at fair value	**6,000**	**-**	**-**	**6,000**
Buildings at fair value				
Specialised buildings	135,472	-	-	135,472
Total of buildings at fair value	**135,472**	**-**	**-**	**135,472**
Plant and equipment at fair value				
Plant and equipment	28,140	-	-	28,140
Total of plant and equipment at fair value	**28,140**	**-**	**-**	**28,140**

Specialised land and specialised buildings
The market approach is used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

The depreciated replacement cost method is used for specialised buildings. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Plant and equipment
Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2017.

For all assets measured at fair value, the current use is considered the highest and best use

Reconciliation of level 3 fair value

($ thousand)

2017	*Specialised land*	*Specialised buildings*	*Plant and equipment*
Opening balance	**-**	**-**	**-**
Transfers in (out) of Level 3	6,000	136,589	28,463
Depreciation	-	(1,117)	(322)
Closing balance	**6,000**	**135,472**	**28,140**

NOTE 7. OTHER NON-FINANCIAL ASSETS

	2017
Current other assets	
Prepayments	346
Total current other assets	**346**
Total other non-financial assets	**346**

NOTE 8. PAYABLES

	2017
Contractual	
Supplies and services	617
Other payables	124
Total payables	**741**
Represented by:	
Current payables	**741**

(A) MATURITY ANALYSIS OF CONTRACTUAL PAYABLES

Please refer to Note 17 (table 17.5) for the maturity analysis of contractual payables.

(B) NATURE AND EXTEND OF RISK ARISING FROM CONTRACTUAL PAYABLES

Please refer to Note 17 for the nature and extend of risk arising from contractual payables.

NOTE 9. EMPLOYEE PROVISIONS

	($ thousand) 2017
Current provisions:	
Annual leave	
Unconditional and expected to settle within 12 months	32
Long service leave	
Unconditional and expected to settle after 12 months	69
Total current provisions for employee benefits	**101**

(A) MOVEMENT IN PROVISIONS

	2017
Opening balance	
Additional provisions recognised	101
Closing balance	**101**
Current	101

NOTE 10. CAPITAL EXPENDITURE COMMITMENTS

During the 2017 financial year KPST has commenced feasibility studies and business planning for the development of Stage 5 of the Kardinia Park redevelopment. These costs have been recognised as capital works in progress. At the date of this report the scope and timing of the development has not been determined.
There are no other capital expenditure commitments.

NOTE 11. CASH FLOW INFORMATION

Reconciliation of net result for the period to net cash flows from operating activities

	($ thousand)
	2017
Net result for the financial year	311
Add/(less) non-cash movements included in result for the year:	
Depreciation on non-financial assets	1,439
Movements in assets and liabilities:	
(Increase)/decrease in receivables	(907)
(Increase)/decrease in other non-financial assets	(346)
Increase/(decrease) in payables	741
Increase/(decrease) in employee provisions	101
Net cash flows from/(used in) operating activities	**1,339**

NOTE 12. CONTINGENT ASSETS

There are no contingent assets as at 30 June 2017.

NOTE 13. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2017.

NOTE 14A. RESPONSIBLE PERSONS DISCLOSURES

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

The persons who held the positions of Premier, Minister, Board Members and Accountable Officer of KPST at any time during the reporting period were as follows:

Premier

The Honorable Daniel Andrews, Premier of Victoria

Minister

The Honorable John Eren, Minister for Sport, Minister for Tourism and Major Events and Minister for Veteran Affairs

Trust

The Honorable Steve Bracks AC (Chairperson)

Professor Jane den Hollander

Ms Rebecca Casson

Ms Gillian Costa

Mr Simon Guthrie

Mr Michael Malouf

Ms Elizabeth Mears

Accountable Officer

Mr Michael Brown *Interim Chief Executive Officer* (commenced 22 December 2016) Appointed CEO on 16 June 2017.

Mr Chris Cochrane (finished 19 December 2016)

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

Remuneration for the Trustees and Accountable Officer are included below in the remuneration of responsible persons.

Remuneration of responsible persons

Total remuneration (including incentive payments) received or receivable by the Trustees and the Accountable Officer in connection with the management of the Trust during the reporting period was in the range of $360,000 - $399,000.

The number of responsible persons whose income from the KPST during the reporting period falls within the following bands is:

NOTE 14A. RESPONSIBLE PERSONS DISCLOSURES (CONTINUED)

Remuneration of responsible persons (Continued)

Remuneration Range	2017
$10,000-$19,999	6
$20,000-$29,999	1
$80,000-$89,999	1
$180,000-$189,999	1
Total Numbers	**9**
Total remuneration received, or due and receivable by Responsible Persons	
Total Remuneration	**366,156**

NOTE 14B. EXECUTIVE OFFICERS DISCLOSURE

The number of executive officers and employees with management responsibilities, other than the Minister and Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

($ thousand)

Remuneration of executive officers	*2017*
Short-term employee benefits	273
Post-employment benefits	26
Other long-term benefits	25
Termination benefits	-
Total remuneration	**324**
Total number of executives	**2**
Total annualised employee equivalents	**2**

NOTE 14C. RELATED PARTY DISCLOSURES

The Trust is a wholly owned and controlled entity of the State of Victoria.

The assessment of Related parties of the Trust included:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

The Trust received redevelopment funding of $131,000 during the year from DHHS which was utilised for the business case proposal for redevelopment for Stage 5.

Key management personnel of the Trust include the Portfolio Minister, the Honourable John Eren MP, Trustees and the Chief Executive Officer.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

($ thousand)

Compensation of KMPs	2017
Short-term employee benefits	343
Post-employment benefits	23
Other long-term benefits	-
Termination benefits	62
Total	**428**

KPST had no related party transaction in relation to the Trust's members in 2016-2017.

NOTE 15. SUPERANNUATION

Employees of KPST are entitled to receive superannuation benefits. Contributions are made to the VicSuper Fund as the KPST's default fund, and to other funds elected by employees under Super choices legislation. Superannuation contributions paid or payable for the reporting period are included as part of employee expenses in the comprehensive operating statement of KPST.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by KPST are shown in the table below. Other funds represent all other employee funds with a total contribution made below $10,000 for the year.

($ thousand)

	Paid contributions for the year
	2017
Superannuation Funds	
VicSuper	43
Cochrane Superannuation Fund	16
Other	34
Total	**93**

NOTE 16. REMUNERATION OF AUDITORS

Audit fees payable to the Victorian Auditor General's Office (VAGO) for the audit of the KPST's financial report is set out below in the following table:

	2017
Victorian Auditor General's Audit of the financial report	13
Total	**13**

NOTE 17. FINANCIAL INSTRUMENTS

A. Financial risk management objectives and polices

KPST's principal financial instruments comprise of;

- cash and deposits;
- receivables; (excluding statutory receivables)
- payables (excluding statutory receivables); and other liabilities.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage KPST's financial risks within the Government policy parameters. KPST's main financial risks include credit risk, liquidity risk, interest rate risk, KPST manages these financial risks in accordance with its financial risk management policy.

The carrying amounts of KPST's contractual financial assets and liabilities by category are shown in table 17.1.

Table 17.1 Categorisation of financial instruments

($ thousand)

2017	*Contractual financial assets loans and receivables*	*Contractual financial liabilities at amortised cost*	*Total*
Contractual financial assets			
Cash and deposits	608	-	608
Receivables [(a)]			
Sale of goods and services	842	-	842
Total contractual financial assets	**1,450**	**-**	**1,450**
Contractual financial liabilities			
Payables [(a)]			
Supplies and services	-	617	617
Other payables	-	124	124
Total contractual financial liabilities	**-**	**741**	**741**

(a) The total amount of financial assets disclosed here excludes statutory receivables.

(b) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable).

NOTE 17. FINANCIAL INSTRUMENTS (CONTINUED)

Table 17.2 Net holding gain/(loss) on financial instruments by category

The net holding gains or losses disclosed below in table 17.2 are determined as follows:

- For cash and cash equivalents, loans or receivables and available for sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
- For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost

($ thousand)

2017	*Net holding gain/(loss)*	*Total interest income/(expense)*	*Fee income/ (expense)*	*Impairment loss*
Contractual financial assets				
Financial assets – receivables	-	26	-	-
Total contractual financial assets	**-**	**26**	**-**	**-**

B. Credit risk

Credit risk arises from the contractual financial assets of KPST, which comprise cash and deposits, non statutory receivables. KPST's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to KPST. Credit risk is measured at fair value and is monitored on a regular basis.

For debtors other than the Government, it is KPST's policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, KPST does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are fixed interest, except for cash and deposits, which are mainly cash at bank.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that KPST will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents KPST's maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTE 17. FINANCIAL INSTRUMENTS (CONTINUED)

Table 17.3 Credit quality of contractual financial assets that are neither past due nor impaired

($ thousand)

2017	*Financial institutions (AA credit ratings)*	*Other (min BBB credit rating)*	*Total*
Cash and deposits	608	-	608
Receivables	-	842	842
Total contractual financial assets	**608**	**842**	**1,450**

Table 17.4 Ageing analysis of contractual financial assets

2017	*Carrying amount*	*Not past due and not impaired*	*Past due but not impaired*			
			Less than 1 month	*1-3 months*	*3 months - 1 year*	*1 - 5 years*
Receivables	842	-	326	427	89	-
Total	**842**	**-**	**326**	**427**	**89**	**-**

C. Liquidity risk

Liquidity risk is the risk that KPST would be unable to meet its financial obligations as and when they fall due. KPST operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

KPST's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. KPST manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The following table 17.5 discloses the contractual maturity analysis of contractual financial liabilities:

Table 17.5 Maturity analysis of contractual financial liabilities

2017	*Carrying amount*	*Nominal amount*	*Maturity dates*				
			Less than 1 month	*1-3 months*	*3 months - 1 year*	*1- 5 years*	*5+ years*
Supplies and services	617	617	195	393	29	-	-
Other payables	124	124	124	-	-	-	-
Total	**741**	**741**	**319**	**393**	**29**	**-**	**-**

NOTE 17. FINANCIAL INSTRUMENTS (CONTINUED)

D. Market risk

KPST's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage these risks are disclosed below.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. KPST does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

KPST has minimal exposure to cash flow interest rate risks through its cash and deposits.

KPST manages this risk by management monitoring movement in interest rates on a daily basis and has concluded for cash at bank, as financial assets that can be left at floating rate without necessarily exposing KPST to significant bad risk.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 17.6 and 17.7:

Table 17.6 Interest rate exposure of financial instruments

($ thousand)

2017	*Weighted average effective interest rate %*	*Variable interest rate*	*Non interest bearing*	*Carrying amount*
Financial Assets				
Cash and Deposits	1.50	608	-	608
Receivables	N/A	-	842	842
Total financial assets		**608**	**842**	**1,450**
Financial Liabilities				
Payables	N/A	-	741	741
Total financial liabilities		**-**	**741**	**741**

NOTE 17. FINANCIAL INSTRUMENTS (CONTINUED)

Table 17.7 Market risk exposure – Interest rate

($ thousand)

		Interest rate risk			
2017	Carrying amount	.- 1% Net result	.- 1% Equity	.+ 1% Net result	.+ 1% Equity
Cash and Deposits	608	(6)	(6)	6	6
Total (decrease)/increase	**608**	**(6)**	**(6)**	**6**	**6**

E. Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- **Level 1** – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- **Level 2** – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- **Level 3** – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

KPST currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2016-17 reporting period. These financial instruments include:

Financial Assets	**Financial Liabilities**
Cash and Deposits	Payables:
Receivables:	Supplies and services
Sale of goods and services	Other payables
Other receivables	

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference.

NOTE 17. FINANCIAL INSTRUMENTS (CONTINUED)

Table 17.8 Fair value of financial instruments measured at amortised cost

($ thousand)

2017	*Carrying amount*	*Fair Value*
Contractual financial assets		
Cash and Deposits	608	608
Receivables	842	842
Total contractual financial assets	**1,450**	**1,450**
Contractual financial liabilities		
Payables	741	741
Total contractual financial liabilities	**741**	**741**

CERTIFICATION

In accordance with a resolution of the Trustees of the Kardinia Park Stadium Trust, we state that in our opinion:

a. the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial statements, presents fairly the financial transactions of the Trust during the financial year ended 30 June 2017 and the financial position of the Trust as at 30 June 2017;

b. the attached financial statements for the Trust have been prepared in accordance with the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements; and

c. at the date of this report we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

The Hon Steve Bracks AC
Chairperson
Kardinia Park Stadium Trust

11 September 2017

Mr. Michael Brown
Chief Executive Officer
Accountable Officer
Kardinia Park Stadium Trust

11 September 2017

Ms. Daphne Henderson
General Manager – Finance and Corporate Services
Chief Finance Officer
Kardinia Park Stadium Trust

11 September 2017

Independent Auditor's Report

Victorian Auditor-General's Office

To the Trustees of the Kardinia Park Stadium Trust

Opinion	I have audited the financial report of the Kardinia Park Stadium Trust (the trust) which comprises the: • balance sheet as at 30 June 2017 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including a summary of significant accounting policies • trustee's certification. In my opinion the financial report presents fairly, in all material respects, the financial position of the trust as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the trust 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 my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Trustees's responsibilities for the financial report	The Trustees of the Kardinia Park Stadium Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act*, and for such internal control as the Trustees determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Trustees are responsible for assessing the trust's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees
- conclude on the appropriateness of the Trustees' 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 trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust 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.

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

C Jeffries

MELBOURNE
13 September 2017

Charlotte Jeffries
as delegate for the Auditor-General of Victoria