



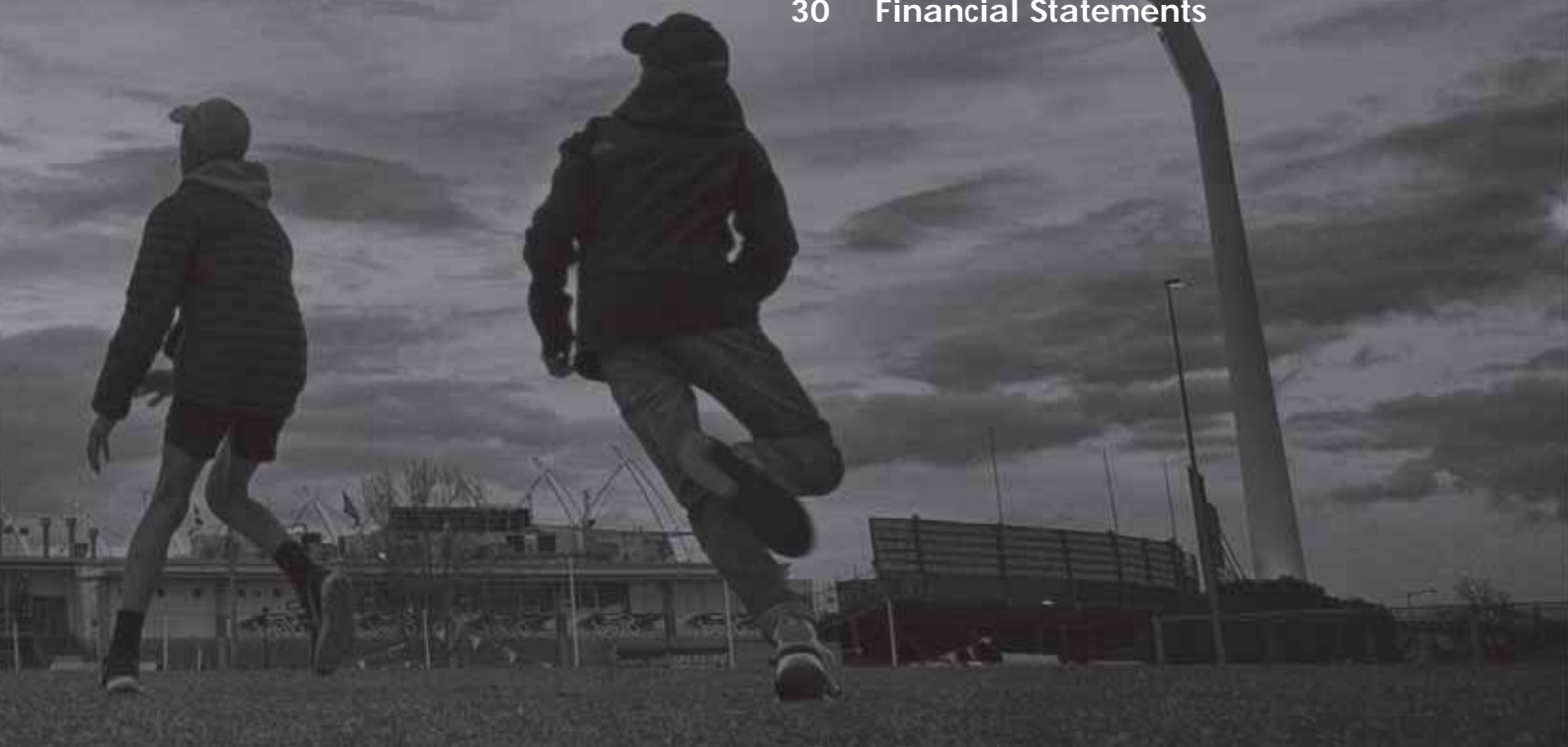
Annual Report

2017-2018



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Kardinia Park, Australia's Best Regional Stadium



Chairman's Report

The past year has generated a number of exciting opportunities for the Trust as we have continued to build on a solid foundation of events and activities, in line with our core values and responsibilities.

In 2017/18, we hosted more than 90 events, representing all areas of our community and we were delighted to welcome more than 330,000 people who attended a broad range of events at the Stadium.

There is still much discussion about the highly anticipated Stage 5 of the Stadium redevelopment and we worked diligently this year to deliver the business case and the design of the proposed works.

We remain hopeful of securing future funding for further development of GMHBA Stadium, which would increase our capacity to 40,000 people and truly cement our position as Australia's Best Regional Stadium.

While the Stadium has been well known for many years as the home of the Geelong Football Club, in 2017/18 we focused strongly on growing our engagement with the broader Geelong community. Part of that commitment saw the establishment this year of the new Kardinia Park Advisory Committee.

The Committee, which includes 11 local sport, community and council representatives, is charged with assisting the Trust to develop a 'Master Plan' to govern the land outside of the Stadium and ensure that the precinct remains accessible and open to all.

Looking back over the past year, highlights included the Stadium being the chosen venue for the annual Carols by Candlelight event, which saw more than 8,000 people turn out in fine voice. We were also the proud hosts of Geelong's inaugural Vinnies CEO Sleep out, along with the Galaxy United's Celebration of Women's Football and the Sacred Heart College Maguire Awards Ceremony.

This year we signed an agreement with AFL Barwon to host the Geelong Football League finals at the Stadium for the next three years. We have also established a partnership with the Mark West Foundation, which is committed to ensuring that no child in the greater Geelong region misses out on the opportunity to play Australian Rules football due to financial hardship.

The Trust maintains and enjoys a strong strategic relationship with our key stakeholders including the City of Greater Geelong, the Victorian Government and our lead tenant, the Geelong Football Club. We look forward to building on these relationships whilst achieving our shared goal of optimising economic and liveability benefits for our community.

It has also been a year of change for us at the Trust as we farewell Professor Jane den Hollander as a Trust member.

Professor den Hollander was appointed by the State Government in January 2015 as a member of the Kardinia Park Steering Committee. Working with fellow members of the Steering Committee, the State Government and the City of Greater Geelong, she played a pivotal role in the drafting of the *Kardinia Park Stadium Act 2016* and the establishment of the Trust itself.

On behalf of the Trust, I would like to sincerely thank Jane for her invaluable input and support and wish her all the best for the future.

In 2017/18, we also welcomed two new members to the Trust, Dan Simmonds and Joe Calafiore.

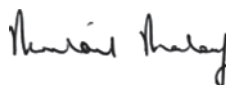
Mr. Simmonds is a long term resident of Geelong with significant standing within the Geelong community. A prominent and experienced lawyer, he is highly regarded across the region for his work with community groups, such as the Committee for Geelong, Barwon Health Foundation and the Deakin School of Law.

Mr. Calafiore is the CEO of the Transport Accident Commission (TAC). Born and raised in Geelong, he is strongly committed to the Geelong community and actively works towards improving the region's future.

I warmly welcome both Dan and Joe to the Trust and look forward to their valuable and generous contributions to our strategic planning and growth.

My thanks to the Minister of Sport, the Hon. John Eren and the team at Sport and Recreation Victoria for their support and assistance.

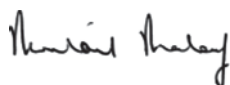
I would also like to thank the entire Trust team at Kardinia Park for their hard work and efforts over the past year and I look forward to an even more successful year in 2018/19.



Michael Malouf
Chair KPST

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 2018



Mr. Michael Malouf
Chair/Accountable Officer

Financial Compliance

ATTESTATION FOR FINANCIAL MANAGEMENT COMPLIANCE WITH MINISTERIAL STANDING DIRECTION 5.1.4

Kardinia Park Stadium Trust Financial Management
Compliance Attestation Statement

I, Ms Elizabeth Mears, on behalf of the Responsible Body,
certify that the Kardinia Park Stadium Trust has complied with
the applicable Standing Directions of the Minister for Finance
under the *Financial Management Act 1994* and Instructions.



Ms Elizabeth Mears
Chairperson Finance Audit Risk
Committee/Accountable Officer

Purpose and Functions

On 16 March 2016, the *Kardinia Park Stadium Act 2016* was proclaimed by Parliament and the Kardinia Park Stadium Trust (the Trust or KPST) 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 liveability 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 Kardinia Park Trust Land 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:

- 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;
- To be responsible for the proper financial management of the Kardinia Park Trust Land;
- 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;
- 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;
- To accept appointment and act as the committee of management of Crown Lands;
- 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
- To perform any other function conferred on or given to the Trust by or under this Act or any other Act.

Vision, Mission and Values

The Trust's vision, mission and values have evolved over the past year and are at the centre of all we do across the business.

The revised vision, mission and values align with the purpose and functions of the Trust and form the basis of our three-year strategic plan highlighting the four key business pillars:

- Strive towards Financial Sustainability
- Deliver operational and commercial excellence
- Build an aligned and engaged culture
- Contribute to the economy, community and liveability of the Geelong region



Our Vision

TO BE RECOGNISED AS **AUSTRALIA'S BEST REGIONAL STADIUM.**



Our Mission

TO OVERSEE THE STADIUM, **OPTIMISING ECONOMIC AND LIVABILITY BENEFITS FOR OUR COMMUNITY.**



Our Values

COLLABORATIVE, ACCOUNTABLE, TRANSPARENT, INNOVATIVE, RESPECTFUL



Our Team

TRUSTEES

The Trust consists of a Chairperson,

Mr. Michael Malouf
and the following members:

Prof. Jane den Hollander
(to 21 February 2018)

Mr. Joe Calafiore
(from 15 May 2018)

Ms. Rebecca Casson

Ms. Elizabeth Mears

Ms. Gillian Costa

Mr. Simon Guthrie

Mr. Dan Simmonds
(from 17 October 2017)

EXECUTIVE TEAM

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

Mr. Michael Brown
Chief Executive

Ms. Natalie Valentine
Deputy Chief Executive Officer

Ms. Daphne Henderson
General Manager Finance & Corporate Services

Mr. Ryan Peel
General Manager Marketing & Communications

REMUNERATION COMMITTEE

The Remuneration Committee consists of:

Ms Gillian Costa
Chair

Ms. Elizabeth Mears

Ms. Rebecca Casson

Mr. Simon Guthrie

The Committee focuses on determining the Trust's policy and practice for executive remuneration and the individual remuneration packages for its executives in line with the recommendations per Government Sector Executive Remuneration Panel (GSERP).

The Committee meets at least two (2) times per annum and more often if the business of the Committee so requires.

STAGE 5 PROJECT COMMITTEE

Stage 5 Project Committee consists of:

Mr. Dan Simmonds
Chair

Mr. Michael Malouf

Ms. Gillian Costa

Mr. Joe Calafiore

Mr. Brian Cook
CEO of Geelong Football Club

FINANCE AUDIT AND RISK COMMITTEE

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

Ms. Elizabeth Mears
Chair

Mr. Simon Guthrie
Trustee

Mr. Tony Ficca
Independent Member

The main responsibilities of the FARC are to:

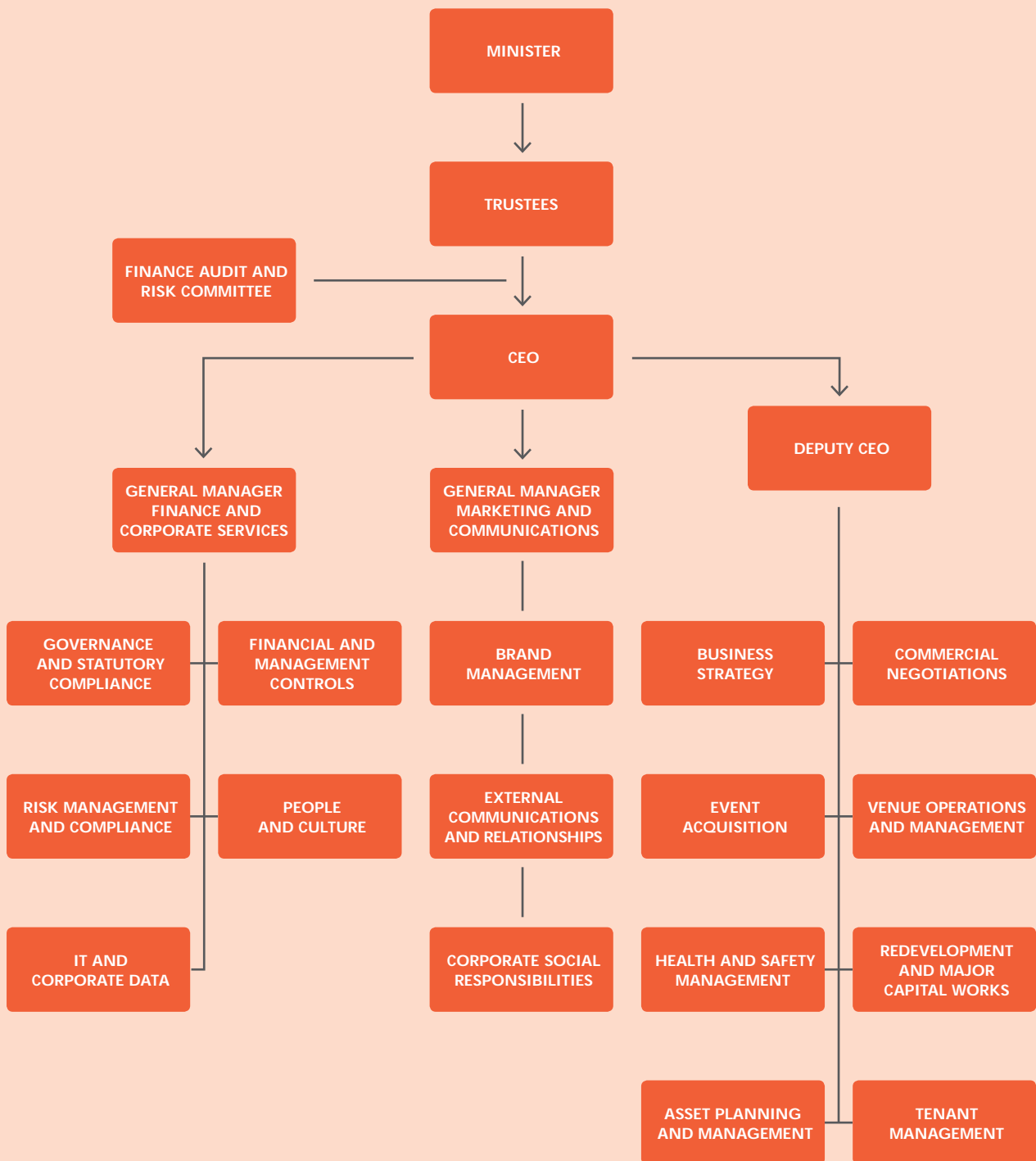
- review and report independently to the Trustees on the Annual Report and all other financial information published by the Trust;
- assist the Trustees in reviewing the effectiveness of the Trust's internal control environment covering:

- 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 FARC meets monthly and makes recommendations to the Trust on specific issues.

Organisational Structure





The trust is
committed to
continuing to
grow the range
of both sporting
and community
events on offer
at the stadium

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 \$200 million of sporting and recreational facilities.

The 2017/2018 financial year was the second year of operation for Kardinia Park Stadium Trust and the Trust recorded an operating profit before depreciation of \$1,626 million.

This included operational funding from government of \$4,470 million and funding of \$3.9m to develop the business case and design for the proposed Stage 5 redevelopment of GMHBA Stadium.

After taking account of the depreciation charge of \$2,257 million for the year, the Trust recorded a loss of \$634,000.

Reflecting on 2017/18, the Trust has achieved significant growth over the past year through the acquisition of significant events such as the signing of the ICC World T20 in 2020 and the signing of a new three-year agreement with the Melbourne Victory Football Club.

We also successfully delivered the first Big Bash League and Women's Big Bash League matches with the Melbourne Renegades and the Sydney Sixers playing in a blockbuster double header, which attracted a record non-AFL crowd of 23,586.

The Trust is committed to continuing to grow the range of both sporting and community events on offer at the Stadium and within the Kardinia Park Precinct.

Staff and Trustees have continued to work closely and positively with our lead tenant the Geelong Football Club. On field, the club enjoyed a successful home and away season, finishing second and averaging 30,000 attendees for each of their seven games. The Trust looks forward to welcoming the Clubs inaugural AFLW team in 2019.

Our commitment is to contribute to the economic, community and liveability benefits to Geelong, that arise from the use of GMHBA Stadium and we look forward to making a number of exciting announcements about further acquisitions and events in the months to come.

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.

In closing, I would like to personally thank the Minister for Sport, the Hon. John Eren, and the team at Sport & Recreation Victoria, the City of Greater Geelong and our community partners for their ongoing support and assistance.

I would also like to express my deep appreciation to the Chairman of the Trust, Michael Malouf and his fellow Trust Members for their ongoing enthusiasm and support.

And finally, my sincerest thanks also to the Trust management and staff who continue to work with passion and commitment to deliver the Best Regional Stadium in Australia.



Michael Brown
Chief Executive

Operational Year in Review

A review of the 2017-2018 business year and the achievements of the Trust during this period, have shown the Trust has grown significantly in the past year, both in size and in business output.

In May 2017, the Trust assumed operational and management responsibilities for the \$90 million Brownlow Stand Redevelopment, a facility that is state of the art and rivals stadia nationally.

This resulted in the Trust undertaking detailed asset management planning, followed by the establishment of an Asset Management Framework in accordance with the DTF's Asset Management Accountability Framework (AMAF) for the next 10 years.

This year the Trust has taken a proactive approach to planning for the future, including working closely with the Government of Victoria (State Government) to establish a Business Case and detailed design work for the Stage 5 Redevelopment project.

One of the key elements of the Stage 5 Redevelopment Project is consideration of potential revenue growth through the provision of a net lettable area, the Stadium's capacity to host a second major tenant, increased events and improved yields from existing users.

The completion of the Stage 5 Redevelopment is fundamental to the Trust's ability to grow its commercial revenues and thereby reducing the reliance on government funding.

The Trust has also commenced discussions with the City of Greater Geelong (Council) regarding the Kardinia Park Master Plan, with the intention that a draft of this plan will be completed by June 2019. This project is of keen interest to the Trust, enabling sound relationships with existing tenants and user groups, and the development of the space resulting in an inclusive and accessible Precinct for the community.

Further to this, event acquisition has increased over the past 12 months through the signing of the ICC World T20 in 2020, the successful delivery of the first Big Bash League and Women's Big Bash League matches, the hosting of Geelong's 52nd Carols and the signing of a new three-year Agreement with the Melbourne Victory Football Club.

The Trust has also focused on growing our engagement with the community, which has been assisted by the appointment of a Community Engagement Coordinator and resulting in an increase in the Trust's community presence at both local and state forums, and via our social media platforms.

Capital Projects Review

In 2017, there were a number of issues that influenced the Capital Works Program. These include:

- The Trust was in a planning phase for Asset Management and therefore operating via the City of Greater Geelong's (Council) Asset Management Plan established in 2013
- The Stage 4 Redevelopment was handed over to the Trust in May 2017 and therefore, planned capital works in accordance with Council's Asset Management Plan were removed from the program of works
- The Trust had commenced the Business Case and associated detailed design works for the Stage 5 Redevelopment, resulting on capital works to the Ford Stand and Ablett Terrace being placed on hold.

Proposed capital works costs for the 2017/18 financial year were estimated to be circa \$1,000,000 however; due to the impacts identified, the costs capital works achieved are circa \$675,600.

Achievements

2017-2018



AFL

AFL Barwon Auskick Clinic
(1 event)

AFL Barwon GFL Finals
(4 event days, 12 matches)

**AFL Home & Away Series,
Geelong Football Club**
(8 matches)

AFL Masters Ceremony
(4 event days, multiple games)

VFL, Geelong Football Club
(2 pre-season and 7 season matches)

NAB U18 National Championships
(1 match)

**Open Training Day, Geelong
Football Club**
(2 events)

**Celebration of Women's Football,
Galaxy Girls**
(1 event)

TAC Cup, Geelong Falcons
(4 matches)

GMHBA clinic
(1 event)

Mark West Foundation Sports Clinic
(1 event)



Cricket

**BBL Cricket Melbourne Renegades
vs Sydney Sixers (women's)**
(1 event)

**BBL Cricket Melbourne Renegades
vs Sydney Sixers (men's)**
(1 event)



Soccer

**A-League, Melbourne Victory
vs Central Coast Mariners**
(1 match)

Matildas v China
(1 event)



Community

Carols by Candlelight
(1 event)

Vinnies CEO Sleep out
(1 event)

Fare on the Field
(1 event)

Maguire Awards, Sacred Heart College
(1 event)

**Leisure Networks Totally Sport
School Holiday program**
(Various events)

Event Attendances

AFL MATCH DAY

119,142

BBL & BBLW CRICKET

23,367

A-LEAGUE

6,638

VFL MATCH DAY

64,033

COMMUNITY EVENTS

14,134

AFL MASTERS

4,636

VFLW MATCH DAY

31,090

AFL BARWON FINALS

12,681

TAC MATCH DAY

1,181

Key Statistics

	FY 16/17	FY17/18
Number of Contracted Event Days	38	42
Total Attendances	282,140	329,493
Total Ground Usage	1,513 hrs	1632 hrs
Total Tweet Impressions	17,541	263,700

Our Partners



Tenants

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

Community Partners

GMHBA
TAC
WorkSafe

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



Business Partners

MA Services
MA Security
O'Brien Catering Group
Pitchcraft
QuayClean

Regular Hirers

AFL Barwon
Barwon Health
Cricket Australia
Cricket Victoria
Melbourne Victory

Statement of Expectations

The Statement of Expectation (SOE) is a new initiative of the State Government, for the purpose of aligning policy and performance outcomes. The objectives of the SOE are to provide:

- Optimum alignment of the Trusts, the Minister for Sport and Government
- Enhanced coordination of Government policy

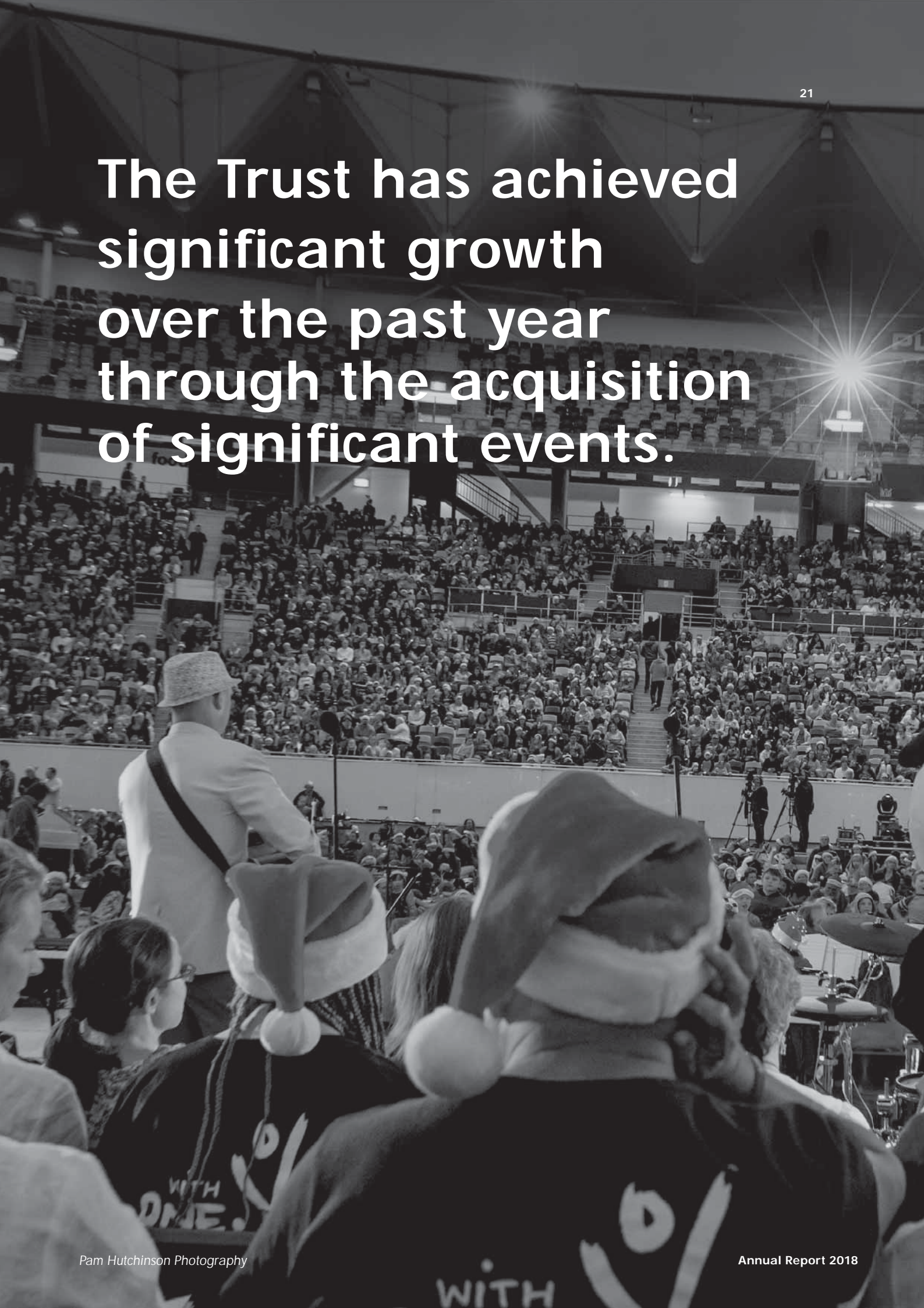
- Deliver enhanced services to the community by encouraging continual improvement
- Deliver value for money
- Strengthen accountability in Trust performance.

The SOE takes into consideration four key areas of business operations, including Policy, Corporate Governance, Financial and Budget Management, and Performance Reporting.

	Outcomes	Business Implications
1. Policy		
Attract and retain major and significant events in consultation with SRV and Visit Victoria	Major events ≥ 5	Increased Trust revenue
	AFL match days ≥ 8	Reduced reliance on government funding
	Community events ≥ 3	Contribute to the local economy
	Contracted commercial events ≥ 2	Employ local staff
Support State and professional sporting teams competing in national and international events in consultation with SRV, GFC and other sporting bodies	Increased number of events	Increase in Trust revenue
	Alignment with 'Active Victoria' policy	Reduce reliance on State Funding
	Engagement with elite sporting bodies	Contribute to the local economy and liveability of the region
Support athlete development through the provision of high quality performance coaching, training, sport science and recovery facilities with GFC and other sporting bodies	Allied Health and Urban Camps are being considered for Stage 5	High performance facilities provided to local athletes at discount prices
	Barwon Sports Academy with GFC – delivery of a high performance training facility	Positive stakeholder engagement for Trust
	Gym and training centre is proposed for Stage 5	
	Regional Community Cricket Hub included in Stage 5	
Provide required facilities to state sports administrations via Sport House	Sports House current tenants are: Barwon Sports Academy; Football Federation of Victoria, Cricket Victoria, Geelong Cricket Association	Strengthening the sports system
	SRV in association with the Trust in talks with regional sport academies to join Sports House	Contribute to the local economy and liveability of the region
Provide facilities to support participation in sports and recreation	Venue used for non-traditional use such as Mark West Foundation, AFL Masters, community clinics, school passing out parades	Community contribution
		Increased use of Crown Land
		Increased resourcing

Outcomes		Business Implications
2. Corporate Governance		
Prepare 5-year strategic plan to guide operations liaise with SRV kept to ensure direction of Trust aligns with Vic Government policies and priorities	The Trustees have agreed on a Strategic Plan 2019-2020 with input from all major stakeholders	Increased revenue
		Improved efficiencies
		Cost based reduction
		Best practice
		Strategic direction
Create an Asset Management Plan that complies with DTF's Asset Management Accountability Framework (2016)	The Trust has drafted a revised Asset Management Plan incorporating and aligning the plan with the DTF's Finance Asset Management Accountability Framework	Improved financial forecasting
		Improved asset maintenance
		Improved management program
	GFC to provide the Trust with an asset register and Asset Management Plan in regards to the Stadium Assets gained during the Stage 4 and other redevelopments of the Stadium to assure asset lifecycles are maintained as per DTF AMF	Lifecycle costing efficiencies
		Improved asset maintenance
		Improved management program
Establish and administer Kardinia Park Advisory Committee	KPAC established with representatives from all stakeholders in the Kardinia Park Precinct	Improved stakeholder engagement
		KP Master Plan agreed June 2019
		Information sharing
		Improved utilisation of the precinct
		Improved safety and traffic management outcomes within the Precinct.
Develop a security plan for Stadium in consultation with appropriate authorities	Crisis communications plan in place	Risk mitigation and management
	Participation in places of mass gathering plan	Best practice security for players, officials and patrons
	Asset security plan in place	
	Counter terrorism threat plan being developed	
	Plans aligned with the Police, EMAWG (Geelong Authority).	
Consider how application of Vic Govt. purchasing board's policies and practices might apply for Trust's procurement policy	At the time of adoption, the Trust is not a 'mandated agency' in accordance with section 54AA of the <i>Financial Management Act 1994</i> and therefore not subject to the requirements of the Act or the policies of the VGPB in relation to the supply of goods and services. However, the Trust is committed to applying best practice and will align procurement processes with VGPB, within reason.	Adhere to 'local first' policy. Support Keeping Business in Geelong program
		Financial prudence

Outcomes		Business Implications
3. Financial And Budget Management		
Enter into discussions with GFC regarding commercial agreements to reduce reliance on Government funding without reducing the economic, community and liveability impact on Geelong.	Commenced discussions with GFC regarding rent	Increased revenue to Trust
	Clarity on asset ownership and management	Rebate on F&B
	Enhanced landlord / tenant relationship	Hospitality available at a cost for Trust events
		Cost recovery of event F&B
Aim to grow revenue, excluding State Government grants, above 2016-2017 levels	Procurement of new and large-scale events	Increased revenue to Trust
	Increased tenancies	Reduce reliance of State Government funding
	Tri-partite commercial agreements with GFC	Contribution to local economy and liveability of Geelong
Explore revenue generating opportunities via Stage 5 Business Case	Delivery of 2,000 sq. metres of net lettable area for establishment of e.g. gymnasiums, allied healthcare. Priority has been given for creating non-exclusive spaces to support multiple events and efficiency of event delivery to bring more non-AFL events to the Stadium.	Increased commercial space to drive new revenue streams
		New streams of revenue
		Contribution to local economy and liveability of Geelong
		Employment of more local staff.
Review DTF website for any changes in Financial Management Act 1994 and incorporate into annual report	GM Finance & Corporate Services receives updates and attends workshops regarding changes and updates to Standing Directions from the Minister for Finance.	Compliance with all statutory compliance
		VAGO auditor comfortable with Trust treatment of assets as a 'going concern'
	September 2017 Statement of Expectation to be included in 2018 annual report	Enhanced measurement of business practices
		Align with Active Victoria policy
4. Performance Reporting		
Provide financial reports to SRV as and when required, including the annual Business Plan and Annual Report, as specified under Section 21 of Kardinia Park Stadium Trust Act	The Trust complies with all requests and provides additional data when and if required	Improved reporting metrics
		Improved planning and engagement with Government
		Annual Report – September
Statement of Expectation performance to be included in future annual reports to be submitted to The Minister by due date	The Trust has incorporated the Annual Report timeline within its operational and financial reporting timeline to ensure delivery by the due date	Best practice reporting to Government
	Statement of Expectation of Sept 2017 to be included in 2018 Annual Report	Enhanced measurement of business practices
		Align with Active Victoria policy

A black and white photograph of a large crowd of people seated in a stadium or arena. Many people in the foreground are wearing Santa hats. In the background, a stage area is visible with some equipment and a bright light source creating a starburst effect. The text is overlaid on the upper left portion of the image.

The Trust has achieved
significant growth
over the past year
through the acquisition
of significant events.

Financial Review of Operations

The 2017/2018 financial year was the second year of operation for Kardinia Park Stadium Trust (Trust). The Trust recorded an operating profit before depreciation of \$1,626 million, a direct result of timing of projects as per the Asset Management Plan. Which included Operational funding from government of \$4,470 million. After taking account depreciation charge of \$2,257 million for the year, the Trust recorded a loss of \$634K.

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 \$1,173 million and interest of \$51K.

Total expenditure in 2018 was \$6,326 million. Employee expenses accounted for \$1,768 million and other operating expenses totalled \$2,300 million. Depreciation charge of \$2,257 million for 2018 due to the completion of the stage 4 – Brownlow stand.

Property, Plant and Equipment decreased by \$1,498 million during the year.

KPST recorded a cash held balance as at 30 June 2018 of \$3,372 million inclusive of the Stage 5 Business case funding.

Consultancy Services

DETAILS OF CONSULTANCIES OF >\$10,000

(\$ thousand)

Consultant	Purpose of Consultancy	Expenditure 2018
Kino Consulting Pty Ltd	Legal Advisory Services	90
Hive Legal Pty Ltd	Legal Advisory Services in regards to MOU	52
HATAMOTO Holdings Pty Ltd	Security	35
SPM Assets	Asset Management Plan	26
Diplomacy	Communication & Advocacy Services	10
Macro Plan Dimasi	Stage 5 Research	19
Peckvonhartel	Kardinia Sports and Entertainment Precinct	10
Bastion Stadium Pty Ltd	Stadium Prospectus	10

DETAILS OF CONSULTANCIES LESS THAN \$10,000

Number: 10

Total Amount: \$120,219

ICT EXPENDITURE

For the 2018-19 reporting period, the Trust had a total ICT expenditure of \$215,425, 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)		
67	148	47	101

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.

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 2018 was 45.

DETAILS OF EMPLOYEE LEVELS – 2018

2018	All employees		Ongoing			Fixed term & casual	
GENDER	NUMBER (Headcount)	FTE	FULL-TIME (Headcount)	PART-TIME (Headcount)	FTE	NUMBER (Headcount)	FTE
Male	19	5	4	0	4	15	1
Female	26	9	8	1	8	17	1
Self-Described							
AGE							
15-24	14		1			13	
25-34	8		4			4	
35-44	9		4	1		4	
45-54	10		2			8	
55-64	3		1			2	
65+	1					1	
Total employees	45	14	12	1	12	32	2
Executives	2	2	2	0	2	0	0

DETAILS OF EMPLOYEE LEVELS – 2017

2018	All employees			Ongoing		Fixed term & casual	
GENDER	NUMBER (Headcount)	FTE	FULL-TIME (Headcount)	PART-TIME (Headcount)	FTE	NUMBER (Headcount)	FTE
Male	14	5	4	0	4	10	1
Female	15	8	4	1	4	10	2
Self-Described							
AGE							
15-24							
25-34	2					18	
35-44	6		4	1		1	
45-54	1		1			1	
55-64	2		2				
65+							
Total employees	29	13	8	1	8	20	3
Executives	3	3	3	0	3	0	0

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	2017-18	2016-17
Incidents	No. of incidents	40	38
	Rate per 100 FTE	0	1
	No. of incidents requiring first aid and/or further medical treatment	20	-
Claims	No. of standard claims	-	-
	Rate per 100 FTE	-	-
	No. of lost time claims	-	-
	Rate per 100 FTE	-	-
	No. of claims exceeding 13 weeks	-	-
	Rate per 100 FTE	-	-
Fatalities	Fatality claims	-	-
Claim costs	Average cost per standard claim	-	-
Return to work	Percentage of claims with RTW plan < 30 days	-	-
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	Completed
Consultation and participation	Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs).	Completed	Completed
Risk management	Percentage of internal audits/inspections conducted as planned.	100%	100%
	No. of Improvement Notices issued by WorkSafe Inspector	-	-
	Percentage of issues identified actioned arising from:		
	· internal audits;	100%	100%
	· HSR provisional improvement notices (PINs); and	-	-
Training	· WorkSafe notices.	-	-
	Percentage of managers and staff that have received OH&S training:		
	· induction;	100%	100%
	· management training; and	80%	16%
	· contractors, temps, and visitors.	On-going	In-progress
	Percentage of HSRs trained:		
	· acceptance of role;	On-going	In-progress
	· re training (refresher); and	On-going	In-progress

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 2018, 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 of 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 2017/18 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 2017/18 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@kardinia-park.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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An aerial photograph of Kardinia Park Stadium in Geelong, Australia, taken at dusk. The stadium's distinctive white, sail-like roof structure is visible, with the 'GMHB STADIUM' logo on the main stand. Two tall, slender floodlights stand prominently on either side of the stadium, their tops glowing. The surrounding area includes residential houses and trees in the foreground, and a body of water and distant hills in the background under a dark sky.

**In 2017/18, we hosted
more than 90 events,
representing all areas
of our community.**

Financial Statements for the Year Ended 30 June 2018

Comprehensive operating statement
For the year ended 30 June 2018

(\$ thousand)

	Notes	2018	2017
Income from transactions			
Interest	3A	51	26
Sale of goods and services	3B	1,173	1,321
Grants	3C	4,470	4,432
Total income from transactions		5,694	5,779
Expenses from transactions			
Employee expenses	4A	1,768	1,352
Depreciation	4B	2,257	1,319
Other operating expenses	4C	2,300	2,608
Total expenses from transactions		6,325	5,279
Net result from transactions (net operating balance)		(631)	500
Other economic flows included in net result			
Net gain/(loss) arising from revaluation of long service leave liability		(3)	(69)
Total other economic flows included in net result		(3)	(69)
Net result		(634)	431
Other economic flows – other comprehensive income			
Changes in physical asset revaluation surplus	14	720	-
Comprehensive result		86	431

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

Balance sheet
As at 30 June 2018

(\$ thousand)

	Notes	2018	2017
Assets			
Financial assets			
Cash and deposits	5	3,372	608
Receivables	6	2,137	907
Total financial assets		5,509	1,515
Non-financial assets			
Property, plant and equipment	7	165,653	164,154
Other non-financial assets	8	291	346
Total non-financial assets		165,944	164,500
Total assets		171,453	166,015
Liabilities			
Payables	9	2,301	741
Employee related provisions	10	124	101
Total liabilities		2,425	842
Net assets		169,028	165,173
Equity			
Accumulated surplus/(deficit)		(203)	431
Physical asset revaluation surplus	14	720	-
Contributed capital		168,511	164,742
Net worth		169,028	165,173

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 2018

(\$ thousand)

	Notes	Physical Asset Revaluation Surplus	Accumulated surplus	Contributions by owner	Total
Balance at 1 July 2017		-	431	164,742	165,173
Comprehensive result for the year		720	(634)	-	86
Transfer to (from) contributed capital	7C	-	-	3,769	3,769
Balance at 30 June 2018		720	(203)	168,511	169,028
Balance at 1 July 2016		-	-	-	-
Comprehensive result for the year			431	-	431
Transfer to (from) contributed capital	7C	-	-	164,742	164,742
Balance at 30 June 2017		-	431	164,742	165,173

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

Cash flow statement
For the year ended 30 June 2018

(\$ thousand)

	Notes	2018	2017
Cash flows from operating activities			
Receipts			
Receipts from government		4,727	4,229
Receipts from customers		593	1,425
Interest received		51	26
Goods and services tax received from the ATO		55	17
Total receipts		5,426	5,698
Payments			
Payments to suppliers		2,209	4,359
Payments to and on behalf of employees		1,913	-
Total payments		4,122	4,359
Net cash flows from/(used in) operating activities	12	1,304	1,339
Cash flows from investing activities			
Payments for non-financial assets		(1,402)	(731)
Net cash flows from/(used in) investing activities		(1,402)	(731)
Cash flows from financing activities			
Receipts from Government		2,862	(731)
Net cash flows from/(used in) financing activities		2,862	(731)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		608	-
Cash and cash equivalents at end of financial year	5	3,372	608

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

Notes to the Financial Statements for the Financial Year Ended 30 June 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. STATEMENT OF COMPLIANCE

Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

These annual financial statements represent the audited general purpose financial statements for Kardinia Park Stadium Trust (The Trust) for the period ended 30 June 2018. The report provides users with information about the Trust's stewardship of resources entrusted to it.

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.

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 Ms Elizabeth Mears, Chairman of the Trust Finance, Audit and Risk Committee, Mr Michael Brown, Chief Executive Officer and Accountable Officer of the Trust and Ms Daphne Henderson, General Manager Finance and Corporate Services, on 16 August 2018.

In addition, the Trust 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 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.
- 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, the Trust 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.

Consistent with AASB 13 Fair Value Measurement, the Trust 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:

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.

The Valuer-General Victoria (VGV) is the Trust's independent valuation agency. The Trust, 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 the Trust as an individual reporting entity. The Trust 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 2016*

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 liveability benefits to Geelong and the broader region, that arise from the use of the Stadium.

D. SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

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 re-measurements. They include:

- gains and losses from disposals of non-financial assets;
- Revaluations and impairments of non-financial physical and intangible assets.
- fair value changes of financial instruments

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 the Trust 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:

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

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 the Trust 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 the Trust in exchange for services 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 16.

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
Buildings	25-110 years
Plant and equipment	5-25 years
Office Furniture	5-10 years

Land is considered to have an indefinite life. 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 the Trust'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(l) 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, the Trust 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, the Trust held Crown land that the Trust intends to preserve because of 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

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

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 the Trust'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 on behalf of the Trust 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 the Trust'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 the Trust prior to the end of the financial year that are unpaid, and arise when the Trust 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 the Trust 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 the Trust 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 the Trust expects to wholly settle within 12 months; or
- present value – if the Trust 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 the Trust 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 the Trust expects to wholly settle within 12 months; or
- present value – if the Trust 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

Employment on-costs such as payroll tax, workers compensation and superannuation are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

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

The Trust does not hold any finance leases

Operating Lease

The Trust 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. The Trust does not hold any operating leases as lessee.

The Trust 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 the Trust.

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 CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised on 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 Trust, the results of those operations, or the state of affairs of the Trust, 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 2018 reporting period. DTF assesses the impact of all these new standards and advises the Trust of their applicability and early adoption where applicable.

As at 30 June 2018, 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. The Trust has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Reporting Period	Impact on public sector entity financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedge accounting model and a revised impairment loss model to recognise expected impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	Applicable for annual reporting period beginning on 1-Jan-18	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.
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, and to amend reduced disclosure requirements.	Applicable for annual reporting period beginning on 1-Jan-18	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.	Applicable for annual reporting period beginning on 1-Jan-18	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. Note that amending standard AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	Applicable for annual reporting period beginning on 1-Jan-18	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.
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-18	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.

Standard/ Interpretation	Summary	Reporting Period	Impact on public sector entity financial statements
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	<p>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.</p> <p>The amendments require:</p> <ul style="list-style-type: none"> • 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). 	<p>Applicable for annual reporting period beginning on</p> <p>1-Jan-18</p>	<p>The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.</p>
AASB 16 Leases	<p>The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.</p>	<p>Applicable for annual reporting period beginning on</p> <p>1-Jan-19</p>	<p>The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p>
AASB 1058 Income of Not-for-Profit Entities	<p>AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 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 objective.</p>	<p>Applicable for annual reporting period beginning on</p> <p>1-Jan-19</p>	<p>The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds. This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants. The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.</p>

NOTE 2. INCOME FROM TRANSACTIONS**CORRECTION OF ERROR**

Subsequent to the finalisation of the Trust's financial statements for the year ended 30 June 2017, two errors have been discovered in the value of assets originally taken up by the Trust as contributed capital. The first error related to the recognition of contributed capital attributed to the Stadium's "Western Entry", which had been demolished at the date of establishment of the Trust. The "Western Entry" asset was recognised at an initial value of \$1,301,265, with a depreciation expense of \$32,557 being recognised during the 2017 financial year in relation to this asset. The second error related to the incorrect allocation of Stage 4 fixtures and fittings between the Trust and the Stadium's lead tenant, the Geelong Football Club. The final allocation of assets calculated by the Quantity surveyor engaged by the Trust has resulted in \$4,610,383 of assets initially recognised by the Trust as contributed capital being identified as assets owned by the Geelong Football Club. A depreciation expense of \$100,467 was recognised in relation to these assets during the 2017 financial year. These errors resulted in the Trust's property, plant and equipment being overstated, contributed capital being overstated and depreciation expense being overstated. Extracts (being only those line items affected) are disclosed below.

COMPREHENSIVE OPERATING STATEMENT

(\$ thousand)

Extract	2017 Reported	Adjustment	2017 Restated
Expenses from transactions			
Depreciation	(1,439)	120	(1,319)
Net result	311	120	431
Comprehensive result	311	120	431

**BALANCE SHEET AT THE END OF
THE EARLIEST COMPARATIVE PERIOD**

(\$ thousand)

Extract	2017 Reported	Adjustment	2017 Restated
Assets			
Non-financial assets			
Property, plant and equipment	169,947	(5,793)	164,154
Total non-financial assets	170,293	(5,793)	164,500
Total assets	171,808	(5,793)	166,015
Net assets	170,966	(5,793)	165,173
Equity			
Accumulated surplus/(deficit)	311	120	431
Contributed capital	170,655	(5,913)	164,742
Total equity	170,966	(5,793)	165,173

NOTE 3. INCOME FROM TRANSACTIONS**3 (A) INTEREST INCOME**

(\$ thousand)

	2018	2017
Interest on bank deposits	51	26
Total interest	51	26

3 (B) SALE OF GOODS AND SERVICES INCOME

(\$ thousand)

	2018	2017
Lease Income*	870	847
Rendering of services	303	474
Total sale of goods and services	1,173	1,321

* Leases with Geelong Football Club and Sports House tenants

3 (C) GRANTS INCOME

(\$ thousand)

	2018	2017
General purpose	4,450	4,279
Other specific purpose	20	153
Total grants	4,470	4,432

NOTE 4. EXPENSES FROM TRANSACTIONS**4 (A) EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT**

(\$ thousand)

	2018	2017
Salaries and wages, annual leave and long service leave	1,557	1,199
Termination Benefits	77	61
Superannuation Contribution Expense	134	93
Total employee expenses	1,768	1,352

4 (B) DEPRECIATION AND AMORTISATION

(\$ thousand)

	2018	2017
Buildings	1,632	1,097
Plant and equipment	625	222
Total depreciation	2,257	1,319

4 (C) OTHER OPERATING EXPENSES

(\$ thousand)

	2018	2017
Supplies and services		
Purchase of services (including remuneration of auditors)	1,546	1,631
Maintenance	754	977
Total other operating expenses	2,300	2,608

NOTE 5. CASH AND DEPOSITS

(\$ thousand)

	2018	2017
Cash at bank	3,372	608
Total cash and deposits	3,372	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 6. RECEIVABLES

(\$ thousand)

Extract	2018	2017
Contractual		
Sale of goods and services	1,060	842
Grants (DHHS)	957	-
Statutory		
GST input tax credit recoverable	120	65
Total receivables	2,137	907
Represented by		
Current receivables	2,137	907

6 (A) AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES

Please refer to Note 19 (table 19.4) for the ageing analysis of contractual receivables.

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

Please refer to Note 19 for the nature and extent of risk arising from contractual receivables.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT**7 (A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION**

(\$ thousand)

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2018	2017	2018	2017	2018	2017
Land at fair value	6,720	6,000	-	-	6,720	6,000
Buildings at fair value	147,838	147,695	(2,728)	(1,097)	145,110	146,598
Plant and equipment at fair value	11,450	11,443	(828)	(222)	10,622	11,221
Capital work in progress at cost	3,201	335	-	-	3,201	335
Net carrying amount	169,209	165,473	(3,556)	(1,319)	165,653	164,154

7 (B) AGGREGATE DEPRECIATION RECOGNISED AS AN EXPENSE DURING THE YEAR

(\$ thousand)

	2018	2017
Buildings	1,631	1,097
Plant and equipment	626	222
Total depreciation	2,257	1,319

7 (C) MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

(\$ thousand)

2018	Land at fair value	Buildings at fair value	Plant and equipment at fair value	Capital work in progress at fair value	Total
Opening balance	6,000	146,598	11,221	335	164,154
Fair value of assets provided free of charge as capital contribution	-	-	-	-	-
Additions	-	-	-	3,531	3,531
Disposals	-	-	(160)	-	(160)
Revaluation of PPE	720	-	-	-	720
Transfer in/out of assets under construction	-	143	187	(665)	(335)
Depreciation	-	(1,631)	(626)	-	(2,257)
Closing balance	6,720	145,110	10,622	3,201	165,652

(\$ thousand)

2017	Land at fair value	Buildings at fair value	Plant and equipment at fair value	Capital work in progress at fair value	Total
Opening balance	-	-	-	-	-
Fair value of assets provided free of charge as capital contribution	6,000	147,582	11,160	-	164,742
Additions	-	113	283	335	731
Disposals	-	-	-	-	-
Revaluation of PPE	-	-	-	-	-
Transfer in/out of assets under construction	-	-	-	-	-
Depreciation	-	(1,097)	(221)	-	(1,319)
Closing balance	6,000	146,598	11,221	335	164,154

Land at fair value

A managerial revaluation of Trust Land was performed in line with FRD103F using land indices provided by the Valuer-General Victoria. The effective date of the valuation was 30 June 2018.

Buildings and plant and equipment at fair value

All non-current physical assets are measured initially at cost and subsequently revalued at fair value using the depreciated replacement cost method. Buildings and plant and equipment were independently valued by Deloitte Touche Tohmatsu with effect to 1 July 2016 for the purpose of determining fair value for the initial accounting recognition by the Trust. Additions pertaining to Stage 4 assets (Brownlow Stand) have since been independently valued by WT Partnerships using depreciated replacement cost method with effect from 19 May 2017.

7 (D) FAIR VALUE MEASUREMENT HIERARCHY: NON-FINANCIAL PHYSICAL ASSETS

(\$ thousand)

2018	Carrying amount as at 30 June 2018	Fair Value Measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Land at fair value				
Specialised land	6,720	-	-	6,720
Total of land at fair value	6,720	-	-	6,720
Buildings at fair value				
Specialised buildings	145,110	-	-	145,110
Total of buildings at fair value	145,110	-	-	145,110
Plant and equipment at fair value				
Plant and equipment	10,622	-	-	10,622
Total of plant, equipment and vehicles at fair value	10,622	-	-	10,622

(\$ thousand)

2017	Carrying amount as at 30 June 2017	Fair Value Measurement at end of reporting period 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	146,598	-	-	146,598
Total of buildings at fair value	146,598	-	-	146,598
Plant and equipment at fair value				
Plant and equipment	11,221	-	-	11,221
Total of plant, equipment and vehicles at fair value	11,221	-	-	11,221

There have been no transfers between levels during the period.

SPECIALISED LAND AND SPECIALISED BUILDINGS

The market approach is used for specialised land, although it 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.

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 2018.

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

7 (E) RECONCILIATION OF LEVEL 3 FAIR VALUE

(\$ thousand)

2018	Specialised Land	Specialised Buildings	Plant and equipment
Opening balance	6,000	146,597	11,221
Transfers in (out) of Level 3	720	143	26
Depreciation	-	(1,631)	(626)
Closing Balance	6,720	145,110	10,622

(\$ thousand)

2017	Specialised Land	Specialised Buildings	Plant and equipment
Opening balance			
Transfers in (out) of Level 3	6,000	147,695	11,442
Depreciation	-	(1,097)	(221)
Closing Balance	6,000	146,597	11,221

NOTE 8. OTHER NON-FINANCIAL ASSETS

(\$ thousand)

	2018	2017
Current other assets		
Prepayments	291	346
Total current other assets	291	346
Total other non-financial assets	291	346

NOTE 9. PAYABLES

(\$ thousand)

	2018	2017
Contractual		
Supplies and services	315	617
Other payables	1,986	124
Total payables	2,301	741
Represented by:		
Current payables	2,301	741

9 (A) MATURITY ANALYSIS OF CONTRACTUAL PAYABLES

Please refer to Note 18 (table 18.5) for the maturity analysis of contractual payables.

9 (B) NATURE AND EXTENT OF RISK ARISING FROM CONTRACTUAL PAYABLES

Please refer to Note 18 for the nature and extent of risk arising from contractual payables.

NOTE 10. EMPLOYEE BENEFITS AND RELATED ON-COST PROVISIONS

(\$ thousand)

	2018	2017
Current Provisions:		
Annual Leave		
Unconditional and expected to settle within 12 months	60	28
Unconditional and expected to settle after 12 months	10	5
Long Service Leave		
Unconditional and expected to settle after 12 months	29	53
Accrued Days Off (Time in Lieu)	2	-
Provisions for on- costs		
Unconditional and expected to settle within 12 months	9	2
Unconditional and expected to settle after 12 months	5	6
	115	94
Non-Current Provisions:		
Long Service Leave		
Conditional and expected to settle after 12 months	8	6
Provision for on-costs		
Conditional and expected to settle after 12 months	1	1
	124	101

10 (A) MOVEMENT IN PROVISIONS

(\$ thousand)

	2018	2017
Opening balance	101	-
Additional provisions recognised	151	72
Additions due to transfer in	-	13
Reductions arising from payments/other sacrifices of future economic benefits	(131)	(52)
Unwind of discount and effect of changes in the discount rate	3	69
Closing balance	124	101
Current	115	94
Non-current	9	7

NOTE 11. CAPITAL EXPENDITURE COMMITMENTS

During the 2018 financial year the Trust has undertaken feasibility studies and business planning for the development of Stage 5 of the Kardinia Park redevelopment. These costs have been recognised as WIP on the balance sheet. 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 12. CASH FLOW INFORMATION**RECONCILIATION OF NET RESULT FOR THE PERIOD
TO NET CASH FLOWS FROM OPERATING ACTIVITIES**

(\$ thousand)

	2018	2017
Net result for the financial year	(634)	431
Add/(less) non-cash movements included in the result for the year:		
Depreciation and amortisation of non-financial assets	2,257	1,319
Disposal of Assets	160	-
Movement in assets and liabilities:		
(Increase)/decrease in receivables	(323)	(907)
Increase/(decrease) in other non-financial assets	55	(346)
Increase/(decrease) in payables	(234)	741
Increase/(decrease) in employee provisions	23	101
Net cash flows from/(used in) operating activities	1,304	1,339

NOTE 13. CONTINGENT ASSETS

There are no contingent assets as at 30 June 2018.

NOTE 14. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2018.

NOTE 15. RESERVES

(\$ thousand)

	2018	2017
Physical asset revaluation surplus		
Balance at beginning of financial year	-	-
Revaluation increments / (decrements)	720	-
Balance at end of financial year	720	-

Physical asset revaluation surplus

The physical asset revaluation surplus is used to record increments and decrements on the revaluation of non current assets.

NOTE 16A. RESPONSIBLE PERSONS

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 the Trust at any time during the reporting period were as follows:

Premier	Period		
The Honourable Daniel Andrews, Premier of Victoria	1 July 2017	to	30 June 2018
Responsible Minister	Period		
The Honourable John Eren, Minister for Sport, Minister for Tourism and Major Events and Minister for Veteran Affairs	1 July 2017	to	30 June 2018
Trust	Period		
Mr Michael Malouf (Chair)	1 July 2017	to	30 June 2018
Ms Gillian Costa	1 July 2017	to	30 June 2018
Ms Rebecca Casson	1 July 2017	to	30 June 2018
Mr Simon Guthrie	1 July 2017	to	30 June 2018
Ms Elizabeth Mears	1 July 2017	to	30 June 2018
Professor Jane den Hollander	1 July 2017	to	21 February 2018
Mr Geoffrey Dan Simmonds	17 October 2017	to	30 June 2018
Mr Joe Calafiore	15 May 2018	to	30 June 2018
Accountable Officer	Period		
Mr Michael Brown	1 July 2017	to	30 June 2018

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 \$430,000-\$439,999 (\$360,000 - \$399,999 in 2016-17).

NOTE 16B. 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. Accordingly, remuneration is disclosed on an accrual basis 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	2018	2017
Short-term employee benefits	387	273
Post-employment benefits	37	26
Other long-term benefits	7	25
Termination benefits	-	-
Total remuneration	431	324
Total number of executives	3	2
Total annualised employee equivalents	3	2

NOTE 16C. RELATED PARTY DISCLOSURE

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.

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

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)

Remuneration of Key Management Personnel	2018	2017
Short-term employee benefits	400	343
Post-employment benefits	27	23
Other long-term benefits	-	-
Termination benefits	-	62
Total remuneration	426	428

Related party transactions with key management personnel, cabinet ministers and their related parties, which occurred during the normal course of business, apart from remuneration disclosed in Notes 16A, 16B and 16C are listed below:

(\$ thousand)

Transactions and balances with key management personnel and other related parties	2018	2017
Rebecca Casson is a Board Member of Development Victoria, whom the Trust has engaged for planning works for Stage 5 capital works, at the direction of the State Government	829	-
Total remuneration	829	-

The Trust has prepared these related party disclosures for the year based on reasonable enquiries made by management in relation to the key management personnel and their related parties and the information available to the organisation, in line with IAS 24 and applicable financial reporting directions.

For information regarding related party transactions of ministers, the register of members' interests is publicly available from: www.parliament.vic.gov.au/publications/register-of-interests

NOTE 17. SUPERANNUATION

Employees of the Trust are entitled to receive superannuation benefits. Contributions are made to the VicSuper Fund as the Trust'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 the Trust. The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Trust are shown in the table below. Other funds represent all other employee funds with a total contribution made below \$20,000 for the year.

(\$ thousand)

	Paid contribution for the year		Contribution outstanding at year end	
	2018	2017	2018	2017
Defined contribution plans				
VicSuper	38	43	-	-
Symetry Personal Retirement Fund	15	-	-	-
Cochrane Superannuation Fund	-	16	-	-
Other	81	34	-	-
Total	134	93	-	-

NOTE 18. REMUNERATION OF AUDITORS

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

(\$ thousand)

	2018	2017
Victorian Auditor General's Audit of the financial report	21	13
Total	21	13

NOTE 19. FINANCIAL INSTRUMENTS**19A. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Trust'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 the Trust's financial risks within the Government policy parameters. The Trust's main financial risks include credit risk, liquidity risk and interest rate risk. The Trust manages these financial risks in accordance with its financial risk management policy.

TABLE 19.1 CATEGORISATION OF FINANCIAL INSTRUMENTS

(\$ thousand)

	Contractual financial assets loans and receivables		Contractual financial liabilities at amortised cost		Total	
	2018	2017	2018	2017	2018	2017
Contractual financial assets						
Cash and deposits	3,372	608	-	-	3,372	608
Receivables ^(a)						
Sale of goods and services	1,060	842	-	-	1,060	842
Grants (DHHS)	957	-	-	-	957	-
Total contractual financial assets	5,389	1,450	-	-	5,389	1,450
Contractual financial liabilities						
Payables ^(a)						
Supplies and services	-	-	315	617	315	617
Other payables	-	-	1,986	124	1,986	124
Total contractual financial assets	-	-	2,301	741	2,301	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).

TABLE 19.2 NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY

The net holding gains or losses disclosed below in table 19.2 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)

2018	Net holding gain/(loss)	Total Interest income/(expense)	Fee income/(expense)	Impairment loss
Contractual financial assets				
Financial assets - receivables	-	51	-	-
Total contractual financial assets	-	51	-	-

(\$ 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	-	-

19B. CREDIT RISK

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

For debtors other than the Government, it is the Trust'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, the Trust 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 the Trust 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 the Trust's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material changes to the Trust's credit risk profile in 2017-18.

TABLE 19.3 CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED

(\$ thousand)

	Financial institutions (AA credit ratings)		Other (min BBB credit rating)		Total	
	2018	2017	2018	2017	2018	2017
Cash and deposits	3,372	608	-	-	3,372	608
Receivables - Sale of Goods and Services	-	-	1,060	842	1,060	842
Receivables - Grants (DHHS)	-	-	957	-	-	-
Total contractual financial assets	3,372	608	2,017	842	5,389	1,450

TABLE 19.4 AGEING ANALYSIS OF CONTRACTUAL FINANCIAL ASSETS

(\$ thousand)

2018	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 - Sale of Goods and Services	1,060	430	559	21	50	-
Receivables - Grants (DHHS)	957	957	-	-	-	-
Total	2,017	1,387	559	21	50	-
2017						
Receivables - Sale of Goods and Services	842	-	326	427	89	-
Total	842	-	326	427	89	-

19C. LIQUIDITY RISK

Liquidity risk is the risk that the Trust would be unable to meet its financial obligations as and when they fall due. The Trust 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.

The Trust's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Trust 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 19.5 discloses the contractual maturity analysis of contractual financial liabilities:

TABLE 19.5 MATURITY ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES

(\$ thousand)

2018	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	315	315	307	7	-	-	-
Other payables	1,986	1,986	1,986	-	-	-	-
Total	2,301	2,301	2,293	7	-	-	-
2017							
Supplies and services	617	617	195	393	29	-	-
Other payables	124	124	124	-	-	-	-
Total	741	741	319	393	29	-	-

19D. MARKET RISK

The Trust's exposure to market risk is 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. The Trust 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.

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

The Trust manages this risk by management monitoring the movement in interest rates and has concluded for cash at bank, financial assets can be left at the floating rate without necessarily exposing the Trust to significant bad risk.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 19.6 and 19.7:

TABLE 19.6 INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

(\$ thousand)

2018	Weighted average effective interest rate %	Variable interest rate	Non interest bearing	Carrying amount
Financial Assets				
Cash and Deposits	1.50	3,372	-	3,372
Receivables	N/A	-	2,017	2,017
Total financial assets		3,372	2,017	5,389
Financial Liabilities				
Payables		-	315	315
Other Liabilities		-	1,986	131
Total financial assets		-	2,301	446
2017				
Financial Assets				
Cash and Deposits	1.50	608	-	3,372
Receivables	N/A	-	842	842
Total financial assets		608	842	1,450
Financial Liabilities				
Payables		-	617	617
Other Liabilities		-	124	124
Total financial assets		-	741	741

TABLE 19.7 MARKET RISK EXPOSURE - INTEREST RATE SENSITIVITY

(\$ thousand)

2018	Carrying amount	- 1% Net result	- 1% Equity	+ 1% Net result	+ 1% Net result
Cash and Deposits	3,372	(34)	(34)	34	34
Total (decrease)/increase	3,372	(34)	(34)	34	34
2017					
Cash and Deposits	608	(6)	(6)	6	6
Total (decrease)/increase	608	(6)	(6)	6	6

19E. 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.

The Trust 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 2017-18 reporting period.

These financial instruments include:

TABLE 19.7 MARKET RISK EXPOSURE - INTEREST RATE SENSITIVITY

(\$ thousand)

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

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

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TABLE 19.8 FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

(\$ thousand)

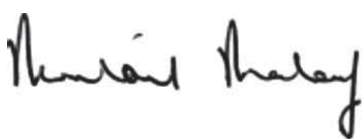
	Carrying amount	Fair Value	Carrying amount	Fair Value
	2018	2017	2018	2017
Contractual financial assets				
Cash and deposits	3,372	608	3,372	608
Receivables				
Sale of goods and services	2,017	842	2,017	842
Total contractual financial assets	5,389	1,450	5,389	1,450
Contractual financial liabilities				
Payables				
Supplies and services	315	617	315	617
Other Liabilities	1,986	124	1,986	124
Total contractual financial liabilities	2,301	741	2,301	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 2018 and the financial position of the Trust as at 30 June 2018;
- 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.

We authorise the attached financial statements for issue on 21 August 2018.



Mr Michael Malouf

Chairperson
Kardinia Park Stadium Trust

21 August 2018



Mr Michael Brown

Chief Executive Officer
Accountable Officer
Kardinia Park Stadium Trust

21 August 2018



Ms. Daphne Henderson

General Manager - Finance and
Corporate Services
Chief Finance Officer
Kardinia Park Stadium Trust

21 August 2018



Independent Auditor's Report

To the Board of Kardinia Park Stadium Trust

Opinion	<p>I have audited the financial report of Kardinia Park Stadium Trust (the trust) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • 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 significant accounting policies • board member's, accounting officer's and chief financial officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the trust as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the trust is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines 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.</p> <p>In preparing the financial report, the Board is responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**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 Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Board 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.

MELBOURNE
23 August 2018



Ron Mak
as delegate for the Auditor-General of Victoria



