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Chairman's Report

The 2018/19 Financial Year has seen the Kardinia Park Stadium Trust grow in capacity, in reputation and in delivery of events. In terms of stadium events we have had a successful Financial Year, with an increase in attendance rates of 19%; this equates to an extra 82,248 people coming through the turnstiles.

We have hosted home matches for both the men's and women's Renegades teams in the Big Bash League, Melbourne Victory Football Club, the Australian Supercross Championships, an NRL match between Melbourne Storm and the New Zealand Warriors and of course have been the home to the Geelong Football Club. An important step forward in encouraging women's participation in sport were the first AFLW matches we hosted at the stadium, which were very well attended. We are now home to Geelong Cats teams in AFL, AFLW, VFL and VFLW.

In 2018/19 FY the Trust continued to welcome and support community events at the stadium including the inaugural Festival of Sport, CEO Sleepout, Kardinia Park Movie Night, All-Abilities Clinics and more. A lot of work was done in this space to set the foundation for the future, ensuring we continue to welcome our community into the stadium.

In June 2019 Mr Rob Hulls became our newest Trustee. Rob has held many roles in government including former Deputy Premier of Victoria and Attorney-General of Victoria. He is also an avid Cats fan. In May 2019 we farewelled Simon Guthrie from our Board of Trustees. Simon was the former Chair of the Kardinia Park Advisory Committee,

and a member of both the Finance Audit and Risk Committee and Remuneration Committee. Thank you to Simon for your work with the Trust, we wish you well. In other movements, Trustee, Joe Calafiore became the new chair of Finance Audit and Risk Committee.

The beginning of 2019 saw our CEO, Michael Brown, leave the Trust. He did a magnificent job developing the Trust in its formative years, growing its capacity and maturity. The Trust is now well on its way to reaching its full potential. Thank you to Michael for your dedication, support and advice as CEO.

Our new CEO, Gerard Griffin came on board in May 2019. I am delighted to welcome Gerard to the Trust, bringing with him invaluable knowledge from 14 years working at the MCG in a range of roles, most recently as GM of Venue and Event Services. Gerard's knowledge and leadership will continue to build the Trust's reputation.

We were thrilled to be named Australia's Best Regional Stadium in the Austadiums Awards, an Australia-wide award that is voted for by the public. This reflects the hard work that the Trust and our key stakeholders have put in to create and manage this outstanding facility.

Throughout the 2018/19 FY we have established some important partnerships, notably with Barwon Water and Vic Health to install 10 state of the art water stations around the stadium. We also became a member of the Sports Environment Alliance.



The State Government has provided funding toward the completion of the Stage 5 Redevelopment. We have worked on this with the State Government and Geelong Football Club as well as other major stakeholders. This project will result in an increased ground capacity of 40,000 people and will complete the stadium bowl. It will also include a Sports Museum, new unisex changerooms and provide improved access to the pitch.

One of our responsibilities as a Trust is to deliver the Kardinia Park Master Plan, which will see a redevelopment of the grounds outside the stadium. We established a Project Control Group with representatives from State Government and the City of Greater Geelong and engaged Tract Consultants, a leading urban design and landscape architecture firm, to assist us in the delivery of the plan. We also engaged with key stakeholders and precinct partners, including the Kardinia Park Advisory Committee, to ensure everyone's voice is heard and a comprehensive plan is created.

Over the previous financial year, we continued to build relationships with the Australian Football League, Cricket Australia and Football Federation of Australia in the development of opportunities for the stadium. Working with Cricket Australia we hosted two men's and women's Big Bash League competitions and in conjunction with the AFL we hosted 11 AFL and 3 AFLW games. In December a new A-League soccer team was announced by the Football Federation of Australia, and we worked with the new Western United Football Club to form an in-principle agreement for eight matches to be held at GMHBA Stadium.

This year saw the creation of GMHBA Stadium's Sensory Zone, making us Australia's first accredited "sensory-inclusive" stadium. This initiative was developed in partnership with the Geelong Football Club and allows people with sensory sensitivities such as autism, dementia, PTSD and other needs to have a positive experience at the stadium.

The Trust maintains strong relationships with our key partners, State Government of Victoria and the City of Greater Geelong as well as our premier tenant, the Geelong Football Club. Throughout this past financial year, we were pleased to reach an agreement on the Memorandum of Understanding, which sets out key operating commercial agreements between the Geelong Football Club and the Trust.

I would like to take this opportunity to thank the then Minister for Sport, the Hon. John Eren, Member for Lara, for his expert guidance. John was the Minister who established the Trust and was an invaluable source of support and guidance to the Trust in its formative years.

We were also delighted to welcome the Hon. Martin Pakula as the incoming Minister for Tourism, Sport and Major Events. Martin has a rich history in sport and was the former Attorney General of Victoria and a senior member of Government. We welcome Minister Pakula to our portfolio and look forward to working with him on all challenges facing the Trust.

Finally, I wish to thank Gillian Costa for her great support as the Trust's deputy Chair and my fellow Trustees Libby Mears, Rebecca Casson, Dan Simmonds, Joe Calafiore, Simon Guthrie and Rob Hulls for their expert contributions over the financial year.

On behalf of the Trustees I would also like to acknowledge and congratulate the management and staff on a successful year, and I thank them for their hard work.

A handwritten signature in dark ink, appearing to read 'Michael Malouf'.

Michael Malouf
Chair

Purpose

Establishment

The Kardinia Park Stadium Trust (the Trust) was established as a statutory authority pursuant to the Kardinia Park Stadium Act 2016 (the Act).

The responsible Minister for the period 1 July 2018 – 28 November 2018 was the Hon. John Eren, Minister for Sport, Minister for Tourism and Major Events and Minister for Veteran Affairs and for the period from 29 November 2018 to 30 June 2019, the Hon. Martin Pakula, Minister for Racing, Minister for Jobs, Innovation and Trade, Minister for Tourism, Sport and Major Events.

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.

Purpose

To oversee the Kardinia Park Trust Land (Trust Land) to optimise economic, community and liveability 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 Trust's assets*
- *Increase utilisation of the Trust's assets*
- *Support and engage the Precinct's users and community groups.*

Functions

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 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 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 Trust Land with the objective of contributing to the economy, community and liveability of the Geelong region and the State*
- To perform any other function conferred on or given to the Trust by or under this Act or any other Act.*



VISION

**To be recognised
as Australia's best
regional Stadium**



MISSION

**To oversee the stadium,
optimising economic
and liveability benefits
for our Community**



VALUES

We are:

Collaborative

Accountable

Transparent

Innovative

Respectful

Governance

TRUSTEES

The Trust consists of a Chairperson, Mr Michael Malouf and the following members:

- Mr Joe Calafiore
- Ms Rebecca Casson
- Ms Elizabeth Mears
- Ms Gillian Costa
- Mr Simon Guthrie (to March 2019)
- Mr Dan Simmonds
- Mr Rob Hulls (from May 2019)

EXECUTIVE TEAM

- Chief Executive – Mr. Gerard Griffin
- Deputy Chief Executive Officer – Ms Natalie Valentine
- General Manager Finance & Corporate Services – Ms Daphne Henderson
- General Manager Marketing & Communications – Mr Ryan Peel

FINANCE AUDIT AND RISK COMMITTEE

Consists of the following members independent from Management:

- Mr Joe Calafiore – Chair
- Ms Elizabeth Mears – Trustee
- Mr Simon Guthrie – Trustee (to March 2019)
- 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 bi-monthly and makes recommendations to the Trust on specific issues.

REMUNERATION COMMITTEE

The Remuneration Committee consists of:

- Ms Gillian Costa – Chair
- Ms Elizabeth Mears
- Ms Rebecca Casson
- Mr Simon Guthrie (to March 2019)

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).

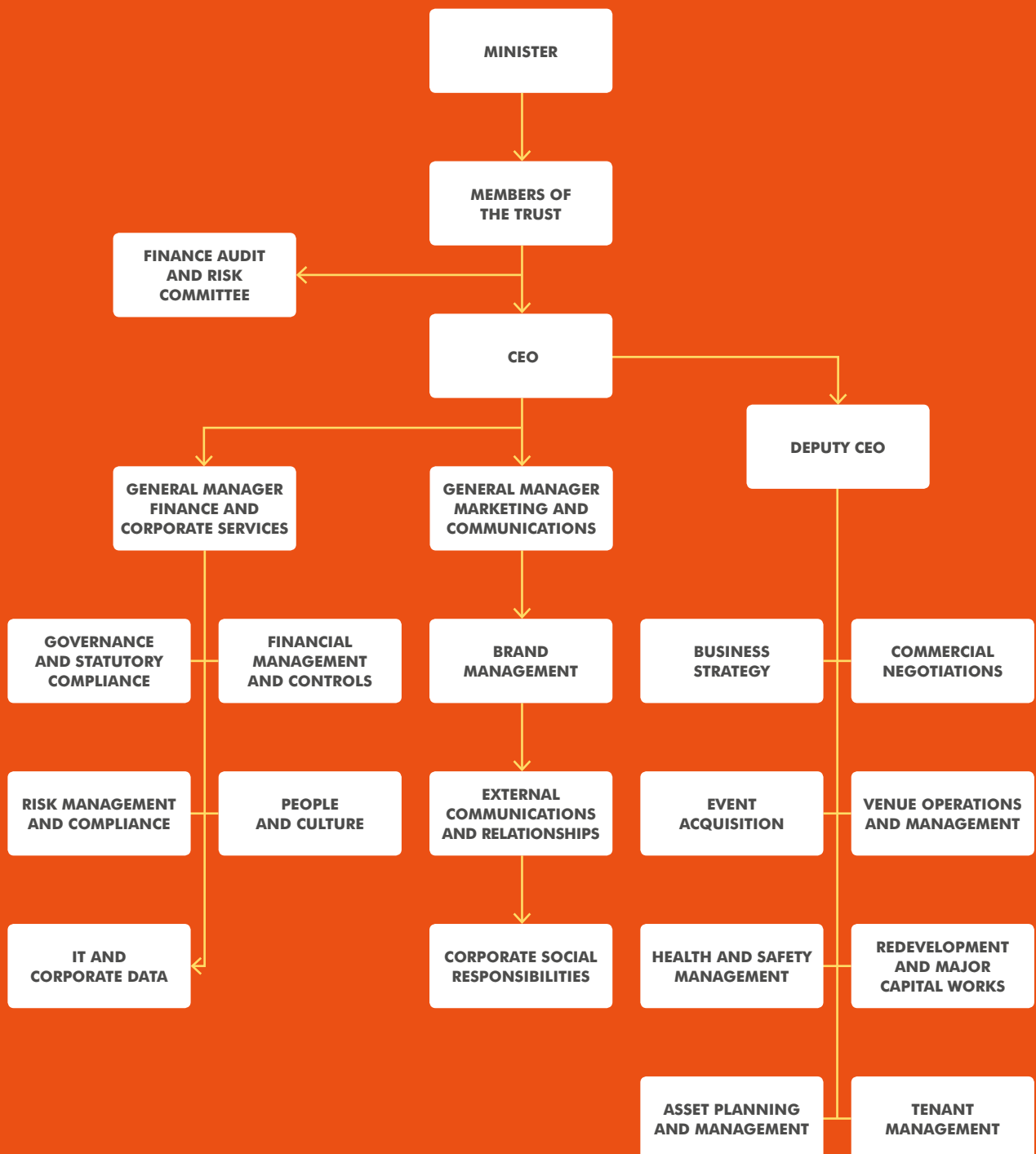
The Committee meets at least two (2) times per annum and more often if the business of the Committee so requires.

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

Organisational Structure



CEO's Report



As a new face to the Kardinia Park Stadium Trust I have been impressed with what the Trust has been able to achieve over the 2018/19 FY; hosting over 90 events with a combined attendance of over 400,000 people. As the managers of Australia's Best Regional Stadium, the Trust are excelling in what they do and I commend my predecessor, Michael Brown, for the great work he did with the Trust.

In its third year of operation the Trust had its biggest summer of content at the stadium so far, hosting events such as the Australian Supercross Championships, two Melbourne Renegades BBL and WBBL double headers, an A-league grand final rematch between Melbourne Victory and the Newcastle Jets and a rugby league trial match between Melbourne Storm and the New Zealand Warriors.

Our relationship with the Geelong Football Club continues to strengthen, and the Trust hosted ten AFL Match Days, averaging an attendance of 30,000 people. The Cats have now expanded to four teams with AFL, AFLW, VFL and VFLW. This past year the Trust hosted the first AFLW matches at the stadium, with three AFLW games and there was a real embrace of this new Geelong team with attendance averaging 10,000 spectators per game. Leading into the AFL season the Trust also hosted one JLT pre-season match here, Geelong versus Essendon.

The best attended event was the match between the Geelong Cats and the Western Bulldogs, with a curtain raiser by local schools, The Geelong College and Geelong Grammar School; 31,373 people came through the turnstiles for this event.

The inaugural Festival of Sport was held in October last year, which saw 80 community and elite sporting groups participating in a two-day celebration of all things sport. We had 15,000 people visit, and the responses from the general public, the activators themselves and the media were all positive. The Trust also facilitated a Movie Night, a free community event that saw over 5,000 people come down to watch Jurassic Park on the big screen, see the interactive dinosaur exhibits and enjoy the pre-movie entertainment, which included former finalist from The Voice, Aydan Calafiore.

In October the Trust oversaw a Ground Renovation project, the first re-surfacing of the ground in nine years. Landscapers

removed 2000m³ of turf and soil and completely replaced the irrigation and sprinkler system, preparing the ground for the upcoming AFL season.

Over the past financial year, the Trust hosted a range of community events including: A Celebration of Women's Football; GFL Finals; All-Abilities Football and Netball Carnival; Sacred Heart College Maguire Awards; Local Cricket T20 Grand Finals and an Auskick Super Clinic, which saw over 12,000 participants taking to the ground. Most recently, the Trust hosted the second Vinnies CEO Sleepout in Geelong, with 77 CEOs and business leaders sleeping out on the concrete to raise awareness and funds for Vinnies. At the time of writing the event had raised a total amount of \$226,722, exceeding their goal of \$200,000 and a large increase on the previous year's total of \$118,460. Over the past 12 months the Trust also formalised community partnerships with the Geelong Dragons All-Abilities Football Club and the Mark West Foundation, which is committed to helping children from our region play football, regardless of their financial circumstances.

The Trust's staff work incredibly hard to run the stadium, switching between events with very little turnaround time. With nearly 20 full-time equivalent staff and a large casual workforce our people are our most important asset. On a match day 25-30 staff will put on the event, coordinating with other contractors, clubs and organisations. Without the staff the events simply wouldn't happen, and I commend them for their hard work.

I would like to thank the management team, Trustees and the Chair of the Kardinia Park Stadium Trust and look forward to what we can achieve together. Thank you also to our key stakeholders and stadium partners for welcoming me to the role, and to the Department of Jobs, Precincts and Regions and Sport and Recreation Victoria for entrusting over \$200 million of sport and recreation facilities to our team; we take this responsibility seriously and are keen to grow and improve.

Gerard Griffin
Chief Executive Officer





Achievements 2018-19



AFL

AFL Barwon Auskick Clinic

(1 event)

AFL Barwon GFL Finals

(6 event days, 18 matches)

AFL Home & Away Series, Geelong Football Club

(11 matches)

AFLW, Geelong Football Club

(3 matches)

GMHBA clinic

(1 event)

Mark West Foundation Sports Clinic

(1 event)

NAB U18 National Championships

(1 match)

Open Training Day, Geelong Football Club

(2 events)

TAC Cup, Geelong Falcons

(4 matches)

VFL, Geelong Football Club

(2 pre-season and 7 season matches)



Cricket

BBL Cricket Melbourne Renegades v Adelaide Strikers (men's)

(1 event)

BBL Cricket Melbourne Renegades v Brisbane Heat (men's)

(1 event)

BBL Cricket Melbourne Renegades v Hobart Hurricanes (women's)

(1 event)

BBL Cricket Melbourne Renegades v Sydney Sixers (women's)

(1 event)

Cricket – Local T20 Final, Geelong Cricket Association

(1 event)



Soccer

A-League, Melbourne Victory vs Newcastle Jets

(1 match)

Celebration of Women's Football, Galaxy Girls

(1 event)



Rugby

Melbourne Rising v Western Force

(1 event)

Melbourne Storm pre-season

(1 event)



Community

Fare on the Field

(1 event)

Festival of Sport

(1 event)

KPST Jurassic Park Movie Night

(1 event)

Maguire Awards, Sacred Heart College

(1 event)

Supercross

(1 event)

Vinnies CEO Sleep out

(1 event)

Event Attendances



AFL Match Day

227,239



AFLW Match Day

29,614

VFL Match Day

42,507

VFLW Match Day

2,021



BBL & BBLW Cricket

34,037



A-League

8,039

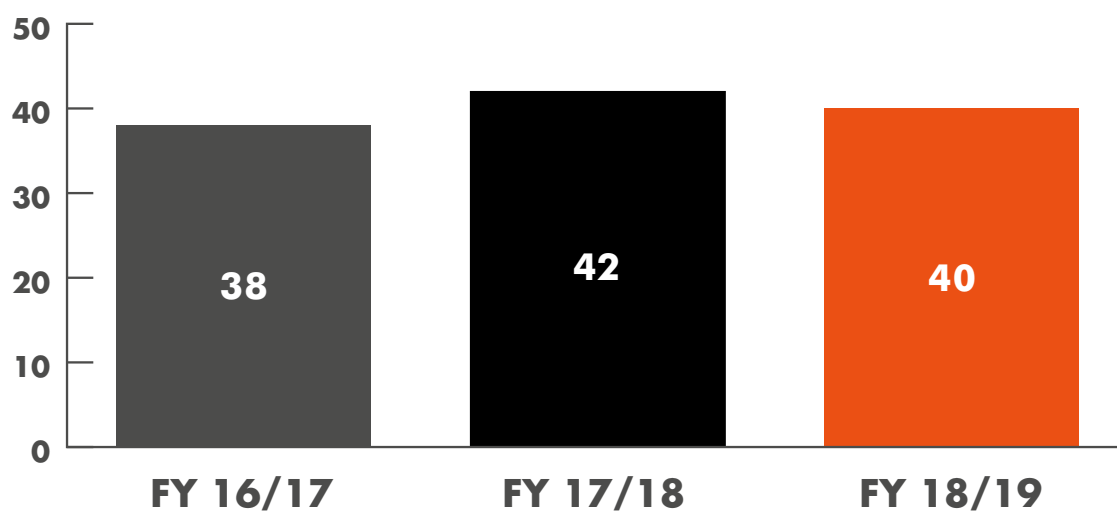


Community Events

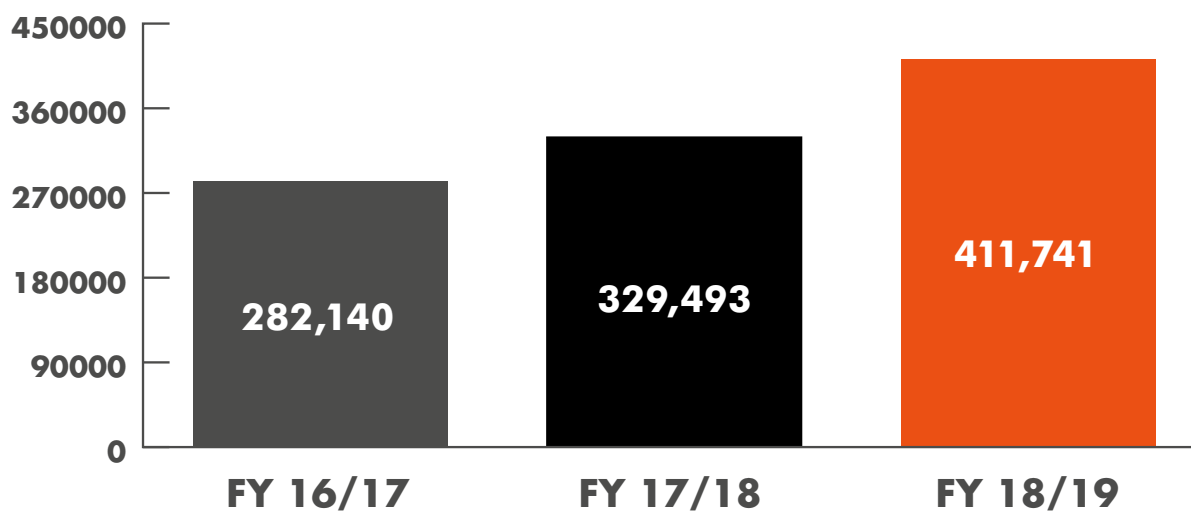
81,365

Key Statistics

Number of Contracted Event Days

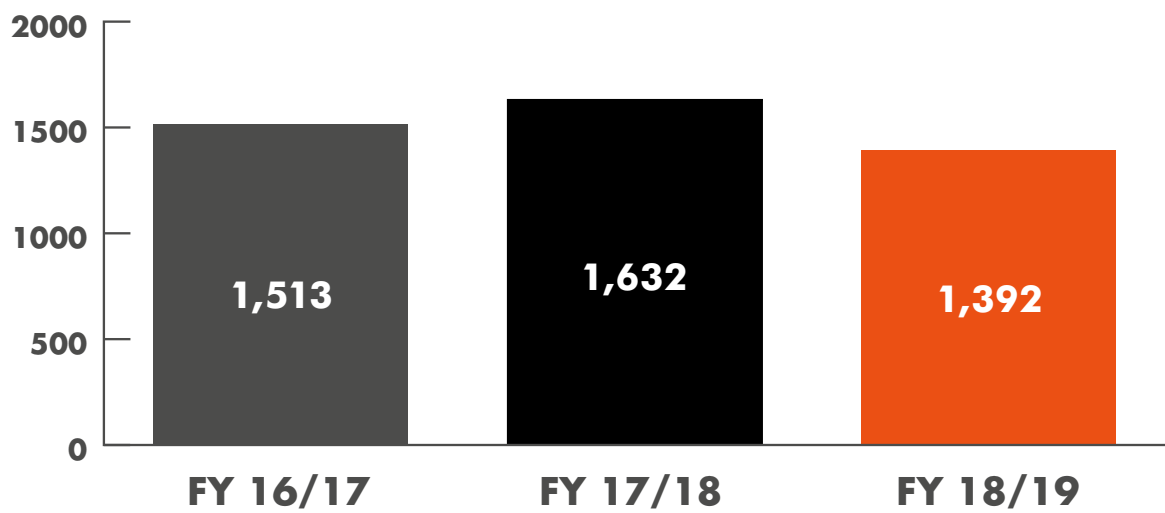


Total Attendances

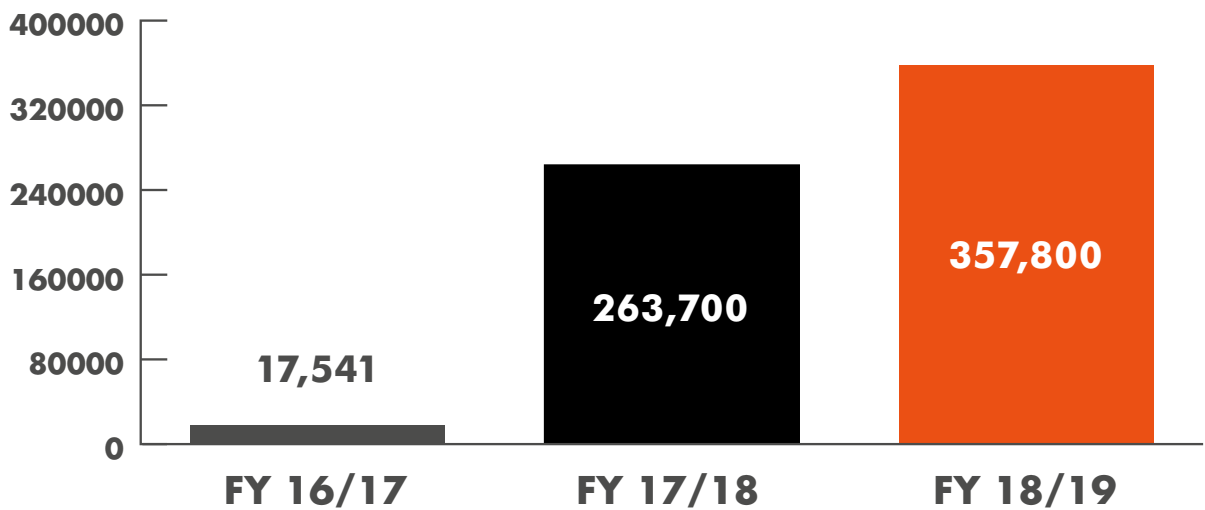


Total Ground Usage

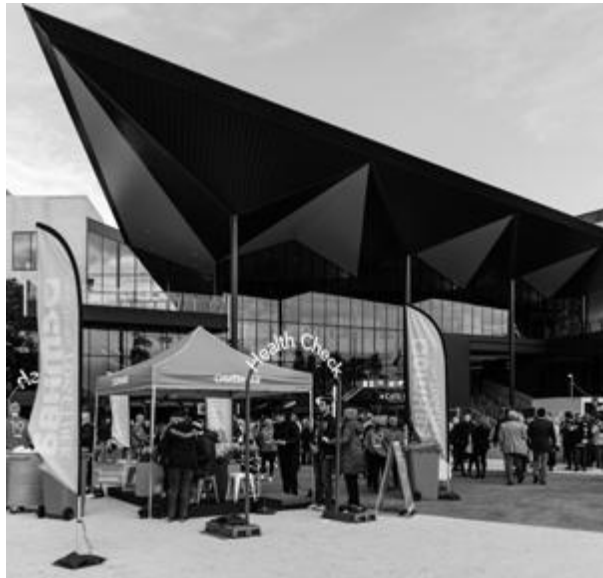
(Hours)



Total Tweet Impressions



Tenants and 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 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.

Expectation	Outcomes	Business Implications
Policy: Victoria's sport Trusts will manage and improve the facilities available to the people of Victoria to:		
Build and maintain major & significant events in consultation with SRV and Visit Victoria	Major events ≥ 5	Increased Trust revenue
	AFL match days ≥ 8 ; AFLW ≥ 3	Reduced reliance on State Funding
	Community events ≥ 3	Contribute to the local economy
	Contracted commercial events ≥ 2	Employ local staff
Support State & professional sporting teams competing in National & International events in consultation with SRV, GFC and other sporting bodies	The Stadium has hosted several pre-season matches, e.g. rugby, double headers, increased female participation	Increase in Trust revenue
	Alignment with 'Active Victoria' policy	Reduce reliance on State Funding
	Engaging with elite sporting bodies	Contribute to the local economy and livability of the region
Support athlete development via provision of high-quality performance coaching, training, sport science and recovery facilities with GFC and other sporting bodies	Barwon Sports Academy with GFC – high performance training facility	High performance facilities provided to local athletes at discount prices.
	Regional Community Cricket Hub included in Stage 5	
Provide access to appropriate facilities to state sports administrations via Sport House (SH)	SH currently has the following tenants: BSA; Football Federation of Victoria, Cricket Victoria, Geelong Cricket Association; Leisure Networks; Golf Australia	Increased Trust revenue
	SRV in association with the Trust in talks with regional sport academies to join SH	Contribute to the local economy and liveability of the region
	SRV in association with the Trust mapping a Strategic Plan	Strong community engagement
		Govt. support

Expectations	Outcomes	Business Implications
Corporate Governance: as outlined in the Act, the Trust will apply these principles throughout its corporate structures, relationships, policies, systems and processes		
Authorising Legislation	The Trust has documented all legislation significantly affects operations in business plan	Aid department in considering reform
Create an Asset Management Plan that complies with DTF's Asset Management	The Trust has implemented an Asset Management Plan incorporating and aligning the plan with the DTF's	Improved financial forecasting
		Improved asset maintenance
Accountability Framework (2016)	Finance Asset Management Accountability Framework.	Improved management program
	GFC to provide the Trust with an asset register and Asset Management Plan in regard 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
Stakeholder Engagement and Research	Five Kardinia Park Advisory Committee meetings held throughout FY2018/19	Improved stakeholder engagement
		KP Master Plan agreed 2019
		Information sharing
	KP Masterplan	Improved utilisation of the precinct Improved safety and traffic management outcomes within the Precinct
Consider how application of Vic Govt. purchasing board's policies and practices might apply for Trust's procurement policy	The Trust recorded no probity issues in FY2018/19	Adhere to 'local first' policy. Support keeping business in Geelong program. GROW initiative
		Financial prudence
Trust Process and Performance	Chairman has successfully reviewed the performance of Members of the Trust	Promotes good governance
	Further reviews are scheduled to ensure Trustees, CEO and staff exemplify behaviours and values contained within code of conduct for VPS employees	

Expectation	Outcomes	Business Implications
Performance and Reporting: High Quality performance reporting. Trust should strive to report its performance against desired outcomes		
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 have complied all requests and provides additional data when and if required.	Improved reporting metrics
		Improved planning and engagement with Government
Develop performance measures to be included in Business Plan	Based on its four strategic initiatives, the Trust have reported on KPI's for the FY 2019/20	Improved reporting metrics
Statement of Expectation performance to be included in annual reports	The Trust has incorporated the annual report timeline within its operational and financial reporting timeline to ensure on time delivery.	Best practice reporting to Government
	Statement of Expectation to be included annual reports.	Enhanced measurement of business practices

Financial Overview

Operating Statement

For the Financial year ended 30 June 2019, the Trust made a net operating profit of \$1.045million, with a net deficit position from total transactions of \$1.302million realised after depreciation is taken into consideration.

The lower operating result is primarily due to the increase in expenses growing due to higher maintenance cost associated with partly ageing facilities and assumed responsibility of newly redeveloped stadium stands. A further increase in operating expenses is due to a full calendar year of events and the write-off of assets.

Operational funding received during the financial year from State Government equates to \$4.89million.

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 \$1.654million and interest of \$95k.

Balance Sheet

Liabilities decreased due to the completion of Stage 5 Business Case payable booked at end of last financial year. Increase in Cash at bank and reduction in receivables resulted in a lower financial asset result than prior year.

Several capital projects are still in progress (value \$2.8million), for which funding has been allocated during the year.

Summary of financial results

(\$ thousand)

Consultant	2019	2018	2017
Income from Government	4,890	4,470	4,432
Total income from transactions	1,749	1,224	1,347
Total expenses from transactions	(7,941)	(6,325)	(5,279)
Net result from transactions	(1,302)	(631)	500
Net result for the period	(1,304)	(634)	431
Net cash flow from operating activities	2,488	1,304	1,339
Total Assets	169,388	171,453	166,015
Total liabilities	1,328	2,425	842

Capital Projects/ Asset Investments

During 2018/19, none of the capital projects undertaken by the Trust had a Total Estimated Investment of \$10 million or more as required by the disclosure threshold. The Trust has however undertaken the following projects as listed below. The nature of these projects came from three selection criteria being either:

a) requirement as per the Trust's Asset Management Plan, written in accordance with the *Asset Management Accountability Framework*;

b) a compliance matter; or

c) business as usual.

The following projects have either commenced or been completed:

- Turf Resurfacing - It is common turf practice that a sand-profile playing surface, subject to high use, be replaced every four-five years. The playing surface in the stadium had not been resurfaced since 2009. This project was completed during October – November 2018 over a period of six weeks.
- External set-down enclosure and fencing – Landscaping - fencing, asphalt treatment to gate 8, 9 & 10 areas to create pedestrian pathways, delivery point, event set-down area and new KPST external secure storage space.
- Hot Water System Replacement – new hot water systems in the Premiership Stand.
- Concrete Road Barriers – to aid in security and traffic management during event days.
- Drinking fountains – installation of 10 new drinking fountains throughout the stadium in partnership with VicHealth.
- Sports House refurbishment – home to state/local sporting bodies and several community groups, the refurbishment included new carpets, paint and furniture.
- Upgrade of Away Change Rooms to meet AFL/AFLW/ICC regulations, Hickey Stand – the installation of reverse-cycle air conditioners to away change rooms; design of unisex toilet and change facilities; installation of ice baths.
- KPST Office Space - extension of staff offices into the adjacent plant room.
- Venue Control Room – redevelopment and refurbishment of venue control room.

Disclosures and Compliance

Employment Principles

The Trust is committed to ensuring employees are engaged and aligned in order to achieve its strategic and business objectives and achieves this by applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably based on the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Key focus areas this year have been the drafting of a new People Partnering program, engagement survey and coaching for the senior leadership team to manage high performance teams.

Employee Assistance Program

The Trust values the wellbeing of its employees and offers an Employee Assistance Program (EAP) that provides 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 2019 was 28.

Details of employee levels – 2019

2019	All employees		Ongoing			Fixed term & casual	
GENDER	NUMBER (Headcount)	FTE	FULL-TIME (Headcount)	PART-TIME (Headcount)	FTE	NUMBER (Headcount)	FTE
Male	14	10	8	1	9	5	1
Female	14	10	7	3	9	4	1
Self-Described							
AGE							
15-24	11		4	1		6	
25-34	6		4			2	
35-44	8		5	3			
45-54	3		2			1	
55-64							
65+							
Total employees	28		15	4	17.6	9	
Executives	3	3	3		3		

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		2		

Occupational Health and Safety

The Trust is committed to providing and maintaining 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 reasonably practicable.

During the 2018-19 financial year, the Trust has been reviewing and refining its Occupational Health & Safety (OH&S) Management System. Staff members undertook HSR OH&S training certificate and ongoing reviews of induction processes.

The Trust recorded, as per last year, no notifiable incidents. Notifiable incidents are those which require the OHS Regulator to be notified when they occur.

Performance against OH&S management measures

Measure	KPI	2018-19	2017-18
Incidents	No. of incidents	40	40
	Rate per 100 FTE	0	0
Claims	No. of standard claims	-	-
	Rate per 100 FTE	-	-
	No. of lost time claims	-	-
	Rate per 100 FTE	-	-
Fatalities	Fatality claims	-	-
Claim costs	Average cost per standard claim	-	-
Risk management	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	-	-
	· WorkSafe notices.	-	-
OHS meetings	No. of OHS meeting held during year	6	12

Consultancy Services

Details of consultancies of >\$10,000

(\$ thousand)

Consultant	Purpose of Consultancy	Expenditure 2019
Kino Consulting PTY Ltd	Legal Services	95
Tract Consultants Pty Ltd	Project management and architectural services	82
UMOW LAI	Engineering services	35
Aver Pty Ltd	Project Management Services	30
Phillip Greenham Lawyer	Legal Services	17
PMY Group Pty Ltd	Technology Enhancement Strategy	15
MI Associates Pty Ltd	Customer service research	15
HATAMOTO Holdings Pty Ltd	Security and Emergency Management Advice	15
Landell Corporation Pty Ltd	Probity Advisors	14
Bastion Stadium Pty Ltd	Stadium Prospectus	10

Details of consultancies less than \$10,000

Number: 9

Total Amount: \$43,841.40

ICT Expenditure

For the 2018-19 reporting period, the Trust had a total ICT expenditure of \$230,00 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)		
121	109	92	17

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-Business As Usual (Non-BAU) ICT expenditure relates to extending or enhancing the Trust'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.

Local Jobs First

In August 2018, the Victorian Parliament reformed the *Victorian Industry Participation Policy Act 2003* into the *Local Jobs First Act 2003*. The Trust is required to apply *Local Jobs First* in all procurement and projects activities over \$1 million. During the 2018/19FY the Trust did not commence or complete a contract to which *Local Jobs First* applied.

Government Advertising Expenditure

The Trust did not undertake any advertising campaigns that triggered the disclosure threshold of \$100,000 in the 2018/19 financial year.

Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the Trust. For the 12 months to 30 June 2019, 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 requests. 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

Over the past year the Trust have carried out work and maintenance that complies with the specification of the *Building Act 1993* where applicable.

Pursuant to its obligations under Section 220 of the *Building Act 1993* the Trust is working with Government to fully investigate combustible cladding at Kardinia Park Stadium. The Victorian Government has recognised the serious risk presented by combustible cladding and provided funding in the 2019-20 State Budget for Government departments and their agencies to rectify government-owned buildings at risk, including Kardinia Park Stadium. The Trust has assessed the immediate risk and put in place appropriate mitigation strategies until long term rectification works are undertaken.

National Competition Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete 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.

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* enables 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@kardiniapark.vic.gov.au

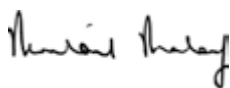
Alternatively, disclosures of improper conduct or detrimental action by the Trust or any of its employees and/or officers may also be made directly to the Independent Broad-based Anti-Corruption Commission:

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

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

Accountable Officer's Declaration

In accordance with the *Financial Management Act 1994*,
I am pleased to present the Annual Report for the Kardinia
Park Stadium Trust for the year ending 30 June 2019.



Mr. Michael Malouf
Chair/Accountable Officer

Financial Management Compliance Attestation

I, Joe Calafiore, 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.



Mr. Joe Calafiore
Chair Finance Audit and Risk Committee/Accountable Officer

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Financial Statements for the Year Ended 30 June 2019

Comprehensive operating statement For the year ended 30 June 2019

(\$ thousand)

	Notes	2019	2018
Income from transactions			
Grants	2.1	4,890	4,470
Sale of goods and services	2.2	1,654	1,173
Interest	2.3	95	51
Total income from transactions		6,639	5,694
Expenses from transactions			
Employee expenses	3.1	2,106	1,768
Depreciation	4.2	2,347	2,257
Other operating expenses	3.5	3,488	2,300
Total expenses from transactions		7,941	6,325
Net result from transactions (net operating balance)		(1,302)	(631)
Other economic flows included in net result			
Net gain/(loss) arising from revaluation of long service leave liability		(2)	(3)
Total other economic flows included in net result		(2)	(3)
Net result		(1,304)	(634)
Other economic flows – other comprehensive income			
Changes in physical asset revaluation surplus	8.1	336	720
Comprehensive result		(968)	86

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

Balance sheet

As at 30 June 2019

(\$ thousand)

	Notes	2019	2018
Assets			
Financial assets			
Cash and deposits		4,208	3,372
Receivables	5.1	1,065	2,137
Total financial assets		5,273	5,509
Non-financial assets			
Property, plant and equipment	4.1	163,937	165,653
Other non-financial assets	5.3	178	291
Total non-financial assets		164,115	165,944
Total assets		169,388	171,453
Liabilities			
Payables	5.2	1,172	2,301
Employee related provisions	3.2	156	124
Total liabilities		1,328	2,425
Net assets		168,060	169,028
Equity			
Accumulated surplus/(deficit)		(1,638)	(334)
Physical asset revaluation surplus	8.1	1,056	720
Contributed capital		168,642	168,642
Net worth		168,060	169,028

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 2019

(\$ thousand)

	Notes	Physical Asset Revaluation Surplus	Accumulated surplus	Contributions by owner	Total
Balance at 1 July 2018		720	(334)	168,642	169,028
Net Result for the year		336	-	-	336
Other Comprehensive Income		-	(1,304)	-	(1,304)
Transfer to (from) contributed capital		-	-	-	-
Balance at 30 June 2019		1,056	(1,638)	168,642	168,060
Balance at 1 July 2017		-	300	164,873	165,173
Net Result for the year		720	-	-	720
Other Comprehensive Income		-	(634)	-	(634)
Transfer to (from) contributed capital		-	-	3,769	3,769
Balance at 30 June 2018		720	(334)	168,642	169,028

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

Cash flow statement

For the year ended 30 June 2019

(\$ thousand)

	Notes	2019	2018
Cash flows from operating activities			
Receipts			
Receipts from government		4,940	4,727
Receipts from customers		4,664	593
Interest received		95	51
Goods and services tax received from the ATO		60	55
Total receipts		9,759	5,426
Payments			
Payments to suppliers		(5,474)	(2,209)
Payments to and on behalf of employees		(1,796)	(1,913)
Total payments		(7,270)	(4,122)
Net cash flows from/(used in) operating activities	6.1	2,489	1,304
Cash flows from investing activities			
Payments for non-financial assets		(2,559)	(1,402)
Net cash flows from/(used in) investing activities		(2,559)	(1,402)
Cash flows from financing activities			
Receipts from Government		906	2,862
Net cash flows from/(used in) financing activities		906	2,862
Net increase/(decrease) in cash and cash equivalents		836	2,764
Cash and cash equivalents at beginning of financial year		3,372	608
Cash and cash equivalents at end of financial year		4,208	3,372

The above cash flow statement 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 2019

1. ABOUT THIS REPORT

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

A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

BASIS OF PREPARATION

These annual financial statements represent the audited general purpose financial statements for Kardinia Park Stadium Trust (The Trust) for the period ended 30 June 2019. The report provides users with information about the Trust's stewardship of resources entrusted to it.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing 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.

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.

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 significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

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.

COMPLIANCE INFORMATION

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable Australian Accounting Standards (AASB) which include Interpretations, issued by the Australian Accounting Standards Board. 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 AASBs 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.

2. FUNDING DELIVERY OF OUR SERVICES

The Trust's overall objective is 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.

To enable the Trust to fulfil its objectives, it receives income (predominantly accrual based grant funding). The Trust also receives income from the sale of goods and services, including rental income which is recognised at the time the rent is billed.

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. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

INCOME FROM TRANSACTIONS

2.1 Grants

(\$ thousand)

	2019	2018
General purpose	4,600	4,450
Other specific purpose	290	20
Total grants	4,890	4,470

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Trust without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). The Trust recognises income when it has satisfied its performance obligations under the terms of the grant.

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

2.2 Sale of goods and services

(\$ thousand)

	2019	2018
Lease Income	1,056	870
Rendering of services	598	303
Total sale of goods and services	1,654	1,173

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 lease income from the Geelong Football Club and Sports House Tenants, which is recognised at the time the rent is billed.

2.3 Interest

(\$ thousand)

	2019	2018
Interest on bank deposits	95	51
Total interest	95	51

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.

3. THE COST OF DELIVERING SERVICES

This section provides an account of the expenses incurred by the Trust in delivering services. In Section 2, the funds that enable the provision of goods and services were disclosed and in this note the cost associated with provision of goods and services are recorded.

EXPENSES INCURRED IN THE DELIVERY OF SERVICES

3.1 Employee benefits in the comprehensive operating statement

(\$ thousand)

	2019	2018
Salaries and wages, annual leave and long service leave	1,940	1,557
Termination Benefits	-	77
Superannuation Contribution Expense	166	134
Total employee expenses	2,106	1,768

Employee expenses include all forms of considerations 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.

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.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Trust is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.2 Employee benefits in the balance sheet

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 and recorded as an expense during the period the services are delivered.

(\$ thousand)

	2019	2018
Current Provisions:		
Annual Leave		
Unconditional and expected to settle within 12 months	72	60
Unconditional and expected to settle after 12 months	12	10
Long Service Leave		
Unconditional and expected to settle within 12 months	12	-
Unconditional and expected to settle after 12 months	22	29
Accrued Days Off (Time in Lieu)	15	2
Provisions for on- costs		
Unconditional and expected to settle within 12 months	13	9
Unconditional and expected to settle after 12 months	4	5
	150	115
Non-Current Provisions:		
Long Service Leave		
Conditional and expected to settle after 12 months	5	8
Provision for on-costs		
Conditional and expected to settle after 12 months	1	1
	156	124

3.3 Movement in provisions

(\$ thousand)

	2019	2018
Opening balance	124	101
Additional provisions recognised	187	151
Additions due to transfer in	-	-
Reductions arising from payments/other sacrifices of future economic benefits	(157)	(131)
Unwind of discount and effect of changes in the discount rate	2	3
Closing balances	156	124
Current	150	115
Non-current	6	9

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and on-costs 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. The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date.

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.

Unconditional LSL is disclosed 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 a conditional 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.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

3.4 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	
	2019	2018	2019	2018
Defined contribution plans				
VicSuper	32	38	-	-
Other	126	96	8	-
Total	158	134	8	-

3.5 Other operating expenses

(\$ thousand)

	2019	2018
Supplies and services		
Purchase of services (including remuneration of auditors)	2,346	1,546
Maintenance	1,142	754
Total other operating expenses	3,488	2,300

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include supplies and services, which 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.

4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

The Trust controls infrastructure and other assets that are utilised in fulfilling its objectives, and conducting its activities. The represent the resources that have been entrusted to the Trust to be utilised for the delivery of services.

4.1 Total property, plant and equipment

(\$ thousand)

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
Land at fair value	7,056	6,720	-	-	7,056	6,720
Buildings at fair value	147,809	147,838	(4,338)	(2,728)	143,471	145,110
Plant and equipment at fair value	11,652	11,450	(1,495)	(828)	10,157	10,622
Plant and equipment	3,253	3,201	-	-	3,253	3,201
Net carrying amount	169,770	169,209	(5,833)	(3,556)	163,937	165,653

Initial Recognition

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.

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.

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.

Subsequent Measurement

All non-current physical assets are measured initially at cost and subsequently revalued at fair value using the depreciated replacement cost method.

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 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.

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.

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.

There were no changes in valuation techniques throughout the period to 30 June 2019.

4.2 Depreciation and amortisation

Charge for the period

(\$ thousand)

Charge for the period	2019	2018
Buildings	1,673	1,631
Plant and equipment	674	626
Total depreciation	2,347	2,257

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.

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

(years)

Asset	Useful Life
Buildings	25-110 years
Plant and equipment	2-25 years
Office Furniture	5-10 years

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

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.

4.3 Reconciliation of movements in the carrying amount of property, plant and equipment

(\$ thousand)

2019	Land at fair value	Buildings at fair value	Plant and equipment at fair value	Capital work in progress at cost	Total
Opening balance	6,720	145,110	10,622	3,201	165,653
Additions	-	-	-	609	609
Disposals	-	(296)	(18)	-	(314)
Revaluation of PPE	336	-	-	-	336
Transfer in/out of assets under construction	-	330	227	(557)	-
Depreciation	-	(1,673)	(674)	-	(2,347)
Closing balance	7,056	143,471	10,157	3,253	163,937

(\$ thousand)

2018	Land at fair value	Buildings at fair value	Plant and equipment at fair value	Capital work in progress at cost	Total
Opening balance	6,000	146,598	11,221	335	164,154
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	165,653

5. OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the Trust's operations.

5.1 Receivables

(\$ thousand)

	2019	2018
Contractual		
Sale of goods and services	871	1,060
State Government Grants	100	957
Statutory		
GST input tax credit recoverable	94	120
Total receivables	1,065	2,137
<i>Represented by</i>		
Current receivables	1,065	2,137

Contractual receivables are classified as financial instruments and categorised as loans and receivables.

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 loss assessment in accordance with AASB 9's expected credit loss model. Where losses are identified, the impairment loss allowance is increased accordingly with the impairment expense recognised in the net result as an 'other economic flow'. There was no impairment loss on receivables during the 2018-19 financial year.

5.2 Payables

(\$ thousand)

	2019	2018
Contractual		
Supplies and services	731	309
Unearned Income	33	-
Other payables	320	1,986
Contractual		
FBT payable	14	3
GST payable	-	-
Superannuation payable	8	-
Other taxes payable	66	3
Total payables	1,172	2,301
<i>Represented by</i>		
Current payables	1,172	2,301

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. Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost; and
- **statutory payables**, such as goods and services tax and fringe benefits tax payables. 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.

Maturity analysis of contractual payables

(\$ thousand)

2019	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	731	731	666	60	5	-	-
Other payables	320	320	320	-	-	-	-
Total	1,051	1,051	986	60	5	-	-
2018							
Supplies and services	309	309	302	7	-	-	-
Other payables	1,986	1,986	1,986	-	-	-	-
Total	2,295	2,295	2,295	7	-	-	-

5.3 Other non-financial assets

(\$ thousand)

	2019	2018
Current other assets		
Prepayments	178	291
Total current other assets	178	291
Total other non-financial assets	178	291

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.

6. HOW WE FINANCED OUR OPERATIONS

This section provides information on the sources of finance utilised by the Trust during its operations and other information relating to the financing of the Trust. This section includes disclosures of balances that are financial instruments.

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

(\$ thousand)

	2019	2018
Net result for the financial year	(1,304)	(634)
Add/(less) non-cash movements included in the result for the year:		
Depreciation and amortisation of non-financial assets	2,347	2,257
Disposal of Assets	314	160
Movement in assets and liabilities:		
(Increase)/decrease in receivables	165	(323)
Increase/(decrease) in other non-financial assets	113	55
Increase/(decrease) in payables	821	(234)
Increase/(decrease) in employee provisions	32	23
Net cash flows from/(used in) operating activities	2,488	1,304

6.2. Capital Expenditure Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. When 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 in the balance sheet.

6.2.1 Total commitments payable

(\$ thousand)

Nominal Amounts 2019	Less than 1 year	1-5 years	5+ years	2019
Capital expenditure commitments payable	1,013	-	-	1,013
Total commitments (inclusive of GST)	1,013	-	-	1,013
Less GST recoverable from the Australian Taxation Office	92	-	-	92
Total commitments (exclusive of GST)	921	-	-	921

In addition to the capital commitments disclosed in the above table, during the 2019 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.

There were no commitments at 30 June 2018.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

The Trust is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Trust related mainly to fair value determination.

7.1 Financial instrument specific disclosures

Introduction

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.

From 1 July 2018, the Trust applies AASB 9 and classifies all of its financial assets based on the business model for managing the asset's and the asset's contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Trust to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Trust recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Categories of financial assets previously under AASB 139

Loans and Receivables

Loans and receivables and cash 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, term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Categories of financial liabilities under AASB 9 and previously under AASB 139

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.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

7.1.1 Financial Instruments Categorisation

(\$ thousand)

	Financial assets at amortised cost		Financial liabilities at amortised cost		Total
Contractual financial assets					
Cash and deposits		4,208		-	4,208
Receivables ^(a)					
Sale of goods and services		871		-	871
State Government Grants		100		-	100
Total contractual financial assets		5,179		-	5,179
Contractual financial liabilities					
Payables ^(a)					
Supplies and services		-		731	731
Unearned Income		-		33	33
Other payables		-		320	320
Total contractual financial liabilities		-		1,084	1,084

	Contractual financial assets loans and receivables		Contractual financial liabilities at amortised cost		Total
Contractual financial assets					
Cash and deposits		3,372		-	3,372
Receivables ^(a)					
Sale of goods and services		1,060		-	1,060
State Government Grants		957		-	957
Total contractual financial assets		5,389		-	5,389
Contractual financial liabilities					
Payables ^(a)					
Supplies and services		-		309	309
Unearned Income		-		-	-
Other payables		-		1,986	1,986
Total contractual financial liabilities		-		2,295	2,295

(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).

7.1.2 Financial Instruments - Net holding gain/(loss) on financial instruments by category

The net holding gains or losses disclosed below 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)

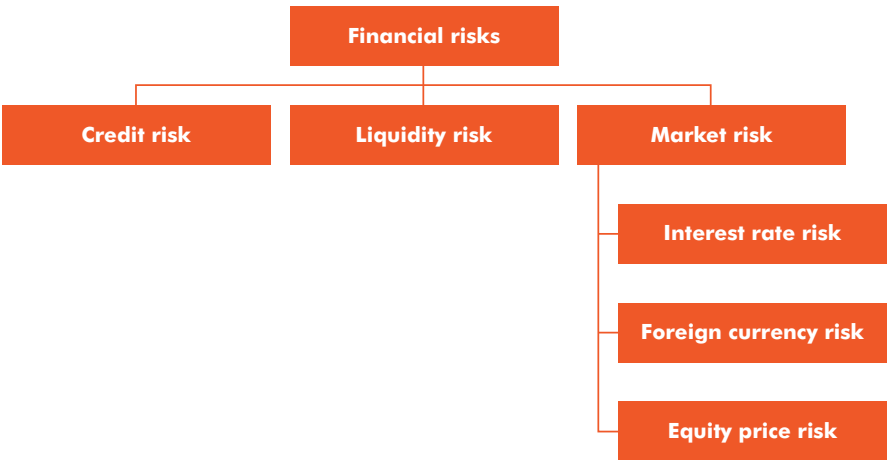
2019	Net holding gain/(loss)	Total Interest income/(expense)	Fee income/(expense)	Impairment loss
Contractual financial assets				
Financial assets	-	95	-	-
Total contractual financial assets	-	95	-	-

(\$ thousand)

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

There were no holding gains/(losses); fee income/(expenses) or impairment losses on any financial instruments held. As such, these have not been disclosed.

7.1.3 Financial risk management objectives and policies



As a whole, the Trust’s financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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 7.3 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.

Financial Instruments: 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 2018-19.

Credit quality of financial assets

(\$ thousand)

	Financial institutions (AA credit ratings)		Other (min BBB credit rating)		Total	
	2019	2018	2019	2018	2019	2018
Cash and deposits	4,208	3,372	-	-	4,208	3,372
Receivables - Sale of Goods and Services	-	-	871	1,060	871	1,060
Receivables - State Government Grants	-	-	100	957	100	957
Total contractual financial assets	4,208	3,372	971	2,017	5,179	5,389

Impairment of financial assets under AASB 9 – applicable from 1 July 2018

From 1 July 2018, the Trust has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Trust's contractual receivables, statutory receivables and its investment in debt instruments.

Contractual receivables at amortised cost

The Trust applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Trust has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the Trust's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the Trust determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at the end of the financial year as disclosed below.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables and debt investments at amortised cost [AASB2016-8.4]

The Trust's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance was recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

Ageing analysis of contractual financial assets

(\$ thousand)

2019	Current	Less than 1 month	1-3 months	3 months - 1 year	1 - 5 years	Total
Expected loss rate		0%	0%	0%	0%	
Gross carrying amount of contractual receivables	463	380	40	88		971
Loss Allowance	-	-	-	-	-	-
2018						
Expected loss rate		0%	0%	0%	0%	
Gross carrying amount of contractual receivables	1,387	559	21	50	-	2,017
Total	-	-	-	-	-	-

Financial Instruments: 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.

Financial Instruments: 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 the tables that follow:

Interest rate exposure of financial instruments

(\$ thousand)

2019	Weighted average effective interest rate %	Variable interest rate	Non interest bearing	Carrying amount
Financial Assets				
Cash and Deposits	1.48	4,208	-	4,208
Receivables - Sale of Goods and Services	N/A	-	871	871
Receivables - State Government Grants	N/A	-	100	100
Total financial assets		4,208	971	5,179
Financial Liabilities				
Payables		-	731	731
Other Liabilities		-	353	353
Total financial liabilities		-	1,084	1,084
2018				
Financial Assets				
Cash and Deposits	1.50	3,372	-	3,372
Receivables - Sale of Goods and Services	N/A	-	1,060	1,060
Receivables - State Government Grants	N/A	-	957	957
Total financial assets		3,372	2,017	5,389
Financial Liabilities				
Payables		-	309	309
Other Liabilities		-	1,986	1,986
Total financial liabilities		-	2,295	2,295

Market risk exposure - Interest Rate Sensitivity

(\$ thousand)

2019	Carrying amount	- 1% Net result	- 1% Equity	+ 1% Net result	+ 1% Equity
Cash and Deposits	4,208	(42)	(42)	42	42
Total (decrease)/increase	4,208	(42)	(42)	42	42
2018					
Cash and Deposits	3,372	(34)	(34)	34	34
Total (decrease)/increase	3,372	(34)	(34)	34	34

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised on the balance sheet, but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

The Trust did not have any contingent assets as at 30 June 2019.

Contingent Liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

The Trust did not have any material contingent liabilities as at 30 June 2019.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Department.

This section sets out information on how the Trust determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result; and
- land, buildings, infrastructure, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes. The Trust determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- 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. 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 Department, in conjunction with the Valuer General Victoria, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 8.3.1) and non-financial physical assets (refer to Note 8.3.2).

7.3.1 Fair value determination of financial assets and liabilities

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 2018-19 reporting period. These financial instruments include:

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.

Fair value of financial instruments measured at amortised cost

(\$ thousand)

	Carrying amount 2019	Carrying amount 2018	Fair Value 2019	Fair Value 2018
Contractual financial assets				
Cash and deposits	4,208	3,372	4,208	3,372
Receivables				
Sale of goods and services	871	1,060	871	1,060
State Government Grants	100	957	100	957
Total contractual financial assets	5,179	5,389	5,179	5,389
Contractual financial liabilities				
Payables				
Supplies and services	731	309	731	309
Other Liabilities	353	1,986	353	1,986
Total contractual financial liabilities	1,084	2,295	1,084	2,295

7.3.2 Fair value determination: Non-physical financial assets

Fair value measurement hierarchy

(\$ thousand)

2019	Carrying amount as at 30 June 2019	Fair Value Measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Land at fair value				
Specialised land	7,056	-	-	7,056
Total of land at fair value	7,056	-	-	7,056
Buildings at fair value				
Specialised buildings	143,471	-	-	143,471
Total of buildings at fair value	143,471	-	-	143,471
Plant and equipment at fair value				
Plant and equipment	10,157	-	-	10,157
Total of plant, equipment and vehicles at fair value	10,157	-	-	10,157

(\$ 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

There have been no transfers between levels during the period.

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.

For further details on the recognition and measurement of specialised land, specialised buildings, plant and equipment, refer to note 4.1.

7.3.3 Reconciliation of level 3 fair value

(\$ thousand)

2019	Specialised Land	Specialised Buildings	Plant and equipment
Opening balance	6,720	145,110	10,622
Transfers in (out) of Level 3	336	34	209
Depreciation	-	(1,673)	(674)
Closing Balance	7,056	143,471	10,157

(\$ thousand)

2018	Specialised Land	Specialised Buildings	Plant and equipment
Opening balance	6,000	146,598	11,221
Transfers in (out) of Level 3	720	143	27
Depreciation	-	(1,631)	(626)
Closing Balance	6,720	145,110	10,622

8. OTHER DISCLOSURES

This section provides additional material disclosures required by accounting standards or otherwise, for the understanding of the financial report.

8.1 Reserves

(\$ thousand)

	2019	2018
Physical asset revaluation surplus		
Balance at beginning of financial year	720	-
Revaluation increments / (decrements)	336	720
Balance at end of financial year	1,056	720

Physical asset revaluation surplus

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

8.2 Correction of prior period error

Correction of error

Subsequent to the finalisation of the Trust's financial statements for the year ended 30 June 2018, a discrepancy has been discovered in the contributed capital amounts provided by the Department of Health and Human Services. Funding provided of \$131,000 to scope and commence preparation of a business case for Stage 5 redevelopment in FY17 was taken up by the Trust as revenue within the profit and loss statement in that financial year. The Department of Health and Human Services have since clarified that this funding provided was to be treated as Contributed Capital. This error has resulted in the Trust's grant revenue being overstated in FY17, leading to an overstated comprehensive result for the year, with contributed capital being understated. Extracts (being only those line items affected) are disclosed below.

Balance Sheet at earliest comparative period

(\$ thousand)

Extract	2018 Reported	Adjustment	2018 Restated
Equity			
Accumulated surplus/(deficit)	(203)	(131)	(334)
Physical asset revaluation surplus	720	-	720
Contributed capital	168,511	131	168,642
Total equity	169,028	-	169,028

8.3. Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer 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 Minister, Board Members and Accountable Officer of the Trust at any time during the reporting period were as follows:

Responsible Minister		Period	
The Honourable John Eren, Minister for Sport, Minister for Tourism and Major Events and Minister for Veteran Affairs		1 July 2018	to 28 November 2018
The Honourable Martin Pakula, Minister for Racing, Minister for Jobs, Innovation and Trade, Minister for Tourism, Sport and Major Events		29 November 2018	to 30 June 2019
Trust		Period	
Mr Michael Malouf (Chair)		1 July 2018	to 30 June 2019
Ms Gillian Costa		1 July 2018	to 30 June 2019
Ms Rebecca Casson		1 July 2018	to 30 June 2019
Mr Simon Guthrie		1 July 2018	to 21 March 2019
Ms Elizabeth Mears		1 July 2018	to 30 June 2019
Mr Geoffrey Dan Simmonds		1 July 2018	to 30 June 2019
Mr Joe Calafiore		1 July 2018	to 30 June 2019
Mr Rob Hulls		28 May 2019	to 30 June 2019
Accountable Officer		Period	
Mr Michael Brown		1 July 2018	to 15 February 2019
Ms Daphne Henderson (acting)		16 February 2019	to 31 March 2019
Ms Natalie Valentine (acting)		1 April 2019	to 12 May 2019
Mr Gerard Griffin		13 May 2019	to 30 June 2019

Remuneration relating to the Ministers is included in the financial statements of the Department of Parliamentary Services. 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 \$390,000-\$399,999 (\$430,000 - \$439,999 in 2017-18).

(\$ thousand)

Remuneration Range	2019	2018
0 - 9,999	4	2
10,000 - 19,999	4	5
20,000 - 29,999	2	-
30,000 - 39,999	-	-
40,000 - 49,999	1	-
230,000 - 239,000	1	-
350,000 - 359,000	-	1
Total	12	8
Total Remuneration of responsible persons	396	439

8.4 Remuneration of Executives

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	2019	2018
Short-term employee benefits	400	387
Post-employment benefits	34	37
Other long-term benefits	2	7
Termination benefits	-	-
Total remuneration	436	431
Total number of executives	3	3
Total annualised employee equivalents	3	3

8.5 Related parties

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, 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	2019	2018
Short-term employee benefits	369	400
Post-employment benefits	27	26
Other long-term benefits	-	-
Termination benefits	-	-
Total remuneration	396	426

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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 8.3, 8.4 and 8.5 are listed below:

(\$ thousand)

Transactions and balances with key management personnel and other related parties	2019	2018
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	2,023	829
Total related party transactions	2,023	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

8.6 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)

	2019	2018
Victorian Auditor General's Audit of the financial report	22	21
Total	22	21

8.7 Subsequent Events

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.

8.8 Other accounting policies

Contributions by owners

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.

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction.

Change of parent entity

On 1 January 2019, the Parent entity of the Trust changed from the Department of Health and Human Services (DHHS) to the Department of Jobs, Precincts and Regions (DJPR).

8.9 Australian accounting standards issued that are not yet effective.

The following AASs become effective for reporting periods commencing after 1 July 2019:

- AASB 16 Leases;
- AASB 15 Revenue from Contract with Customers; and
- AASB 1058 Income of Not-for-Profit Entities.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 16 Leases	<p>AASB16 Leases replaces AASB117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.</p> <p>AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).</p> <p>AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.</p> <p>Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p> <p>The effective date is for annual reporting periods beginning on or after 1 January 2019. The Trust intends to adopt AASB 16 in 2019-20 financial year when it becomes effective. As at 30 June 2019, the Trust does not have any Leases that would be impacted by the implementation of AASB16 requiring retrospective adjustments in future financial periods.</p>	1 January 2019	<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.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p>

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities	<p>AASB 15 supersedes AASB 118 Revenue, AASB 111 Construction Contracts and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.</p> <p>To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:</p> <ul style="list-style-type: none"> • AASB 2016-8 Amendments to Australian Accounting Standards—Australian implementation guidance for NFP entities(AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector. • AASB 2018-4 Amendments to Australian Accounting Standards –Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors (2018-4), to provide guidance on how to distinguish payments receive in connection with the access to an asset (or other resource) or to enable other parties to perform activities as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments. • AASB 1058 Income of Not-for-Profit Entities, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 Contributions. <p>AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. The Trust intends to adopt these standards in 2019-20 financial year when it becomes effective. Revenues recognised by the Trust in the 2018-19 financial year are not impacted by AASB15 and will not require any retrospective adjustments in future financial periods.</p>	1 January 2019	<p>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.</p> <p>The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds.</p> <p>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.</p> <p>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.</p> <p>The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.</p>

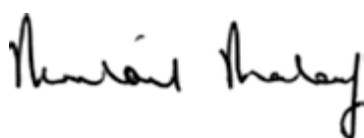
BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCIAL OFFICER'S DECLARATION

The attached financial statements for the Kardinia Park Stadium Trust have been prepared in accordance with Direction 5.2 of the Standing Directions of the assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the financial year ended 30 June 2019 and the financial position of Kardinia Park Stadium Trust as at 30 June 2019.

At the time of signing, 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 16 September 2019.



Mr Michael Malouf

Chairperson
Kardinia Park Stadium Trust

16 September 2019



Mr Gerard Griffin

Chief Executive Officer
Accountable Officer
Kardinia Park Stadium Trust

16 September 2019



Ms Daphne Henderson

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

16 September 2019

INDEPENDENT AUDITORS REPORT



Independent Auditor's Report

To the Trustees 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 2019• 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, accountable 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 2019 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>
Trustees' responsibilities for the financial report	<p>The Trustees of the trust are 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 Trustees determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Trustees are 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 Trustees
- conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
20 September 2019


Travis Derricott
as delegate for the Auditor-General of Victoria





