

State Sport Centres Trust  
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STATE SPORT  
CENTRES TRUST

# ANNUAL REPORT

2020 - 2021







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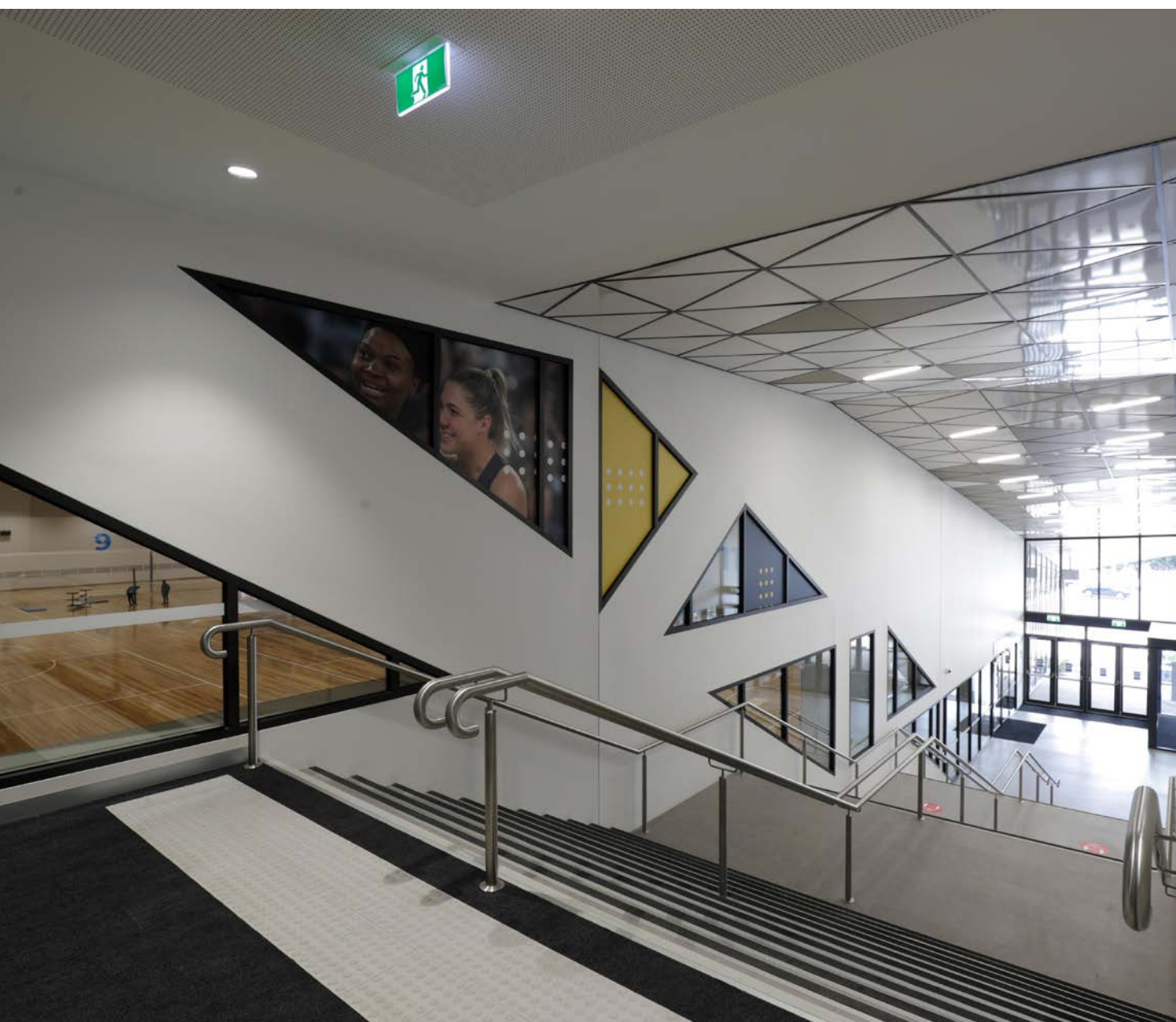
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# THE CHAIR AND CEO REPORT

2020 was a year like no other, or so we thought. COVID-19 presented a difficult and unique period of operations across SSCT venues. With a focus on the new year and full of hope for the usual sport competitions, 2021 started with a return to activity and enthusiasm from athletes, sports and the community. Unfortunately, 2021 continued with the COVID-19 challenges of 2020 including various restrictions, lockdowns, and events being moved or cancelled.



The impact from COVID-19 challenges on athletes and all visitors, has become more and more prominent. Many people have held off returning to activity with every lockdown. Many athletes have considered alternative options, and events have found greater certainty relocating interstate. Significant mental wellbeing issues are being witnessed in people, and the role SSCT venues play in helping restore athlete and community wellbeing will become critical over the coming years.

The impacts of COVID-19 on participation have flowed on to the financial sustainability of SSCT, and also the wellbeing of the team working across the organisation. The nature of SSCT venues requires the infrastructure to be maintained and kept operating throughout the lockdowns and restricted capacities. With limited revenue, continuing operating costs, as well as increased cleaning requirements and discounts to sports to support their sustainability, SSCT has relied even more on the support funding from the Victorian Government. SSCT thanks the Victorian Government and Minister Pakula for their continuing support which allows SSCT to deliver great sporting outcomes for more than 2.4m visitors a year.

The State Sport Centres Trust's sincere thoughts are with all those people, sports and organisations directly and indirectly affected by the impacts of the COVID-19 pandemic. We will continue to provide support to athletes, sports organisations, our team, and the sporting community more broadly as we play our role in beating then recovering from the COVID-19 years.

This year Ernst & Young completed an economic impact study on the value SSCT delivers annually, based on 2019 activity. This

independent review determined SSCT delivers more than \$164m each year in economic benefit to Victoria, generating 1,180 jobs each year, and delivering extensive community benefits like 136,630 swimming lessons, 88,646 participants in school events, and more than 14,000 children supported in subsidised programs.

Despite interruptions and changing conditions over the past 3 years, the redevelopment of Melbourne Sports Centres – Parkville has been largely completed. This redeveloped world class venue is the home to the State Netball Centre and State Hockey Centre and a venue that all Victorians can be proud of.

During this past year SSCT has also provided leadership into the State Basketball Centre project as part of its role taking responsibility for the 25ha Knox Regional Sports Park. This exciting \$130m redevelopment will commence in this coming year delivering another state-of-the-art venue for Victoria.

Through our Vision of being the premier multi-sport facilities in Victoria, we empower and enable sporting organisations and individuals to achieve peak performance, reach their potential and deliver world class events. We inspire participation across Victoria through people attending significant events at our venues, and through successful athletes who we support to compete or train in our facilities.

Planning for opportunities to redevelop areas of MSAC to meet future demand is a key focus for SSCT, with an update to the venue masterplan due this year. This will enable SSCT to continue its support for sport and provide State level facilities that inspire athletes and teams to train and represent Victoria.

We recognise the Victorian athletes who train with SSCT and are competing at the Tokyo 2020 Olympic and Paralympic Games in 2021. The Games always provide the world great enjoyment, provide huge pride in our country, and inspire so many people to participate in physical activity. All these athletes, and many others who worked to represent Victoria too, have faced many challenges in preparations during the pandemic, and their achievements at these Games will be especially remembered for all their terrific efforts. With nearly 100 athletes across almost 30 sports selected to compete at both the Olympic and Paralympic Games, we wish them well and congratulate them in advance on their individual and team achievements.

SSCT is grateful to, and thankful for the support of, the Victorian Government; the Minister for Sport, the Hon Martin Pakula; Sport & Recreation Victoria; our numerous sports partners and users; all our visitors; the appointed Trust Members of SSCT and especially our team of dedicated staff who have delivered outstanding outcomes in very difficult circumstances. In addition, we thank Mr Brett Moore, the outgoing Chairperson, for his service to the Trust and sport over the last 8 years.



**Mr. Chris Jackson**  
Chairperson



**Mr. Phil Meggs**  
Chief Executive Officer

# OUR PURPOSE

We want people to be excited about sport, engaged in healthy activity, and be inspired to be their best.



## Establishment

The State Sport Centres Trust ("SSCT" or "the Trust") is a statutory authority established pursuant to the *State Sport Centres Act 2004* No. 70 ("the Act").

The venues under SSCT's management include:

- The Melbourne Sports and Aquatic Centre, which opened for business on 27 July 1997
- The State Netball Hockey Centre, which opened for business on 29 January 2001, and
- Lakeside Stadium, for which the State Sport Centres Trust was appointed as the Committee of Management of the Lakeside Oval Reserve under Section 14 (2) of the *Crown Land (Reserves) Act 1978* on 31 August 2011.

As outlined in the Act, the Melbourne Sports and Aquatic Centre (which includes Lakeside Stadium) and the State Netball Hockey Centre are to be managed as independent Strategic Business Units, each producing a Business Plan and having separate and individual Financial Operations and Accounts.

Under the Act the relevant Ministers are the Honourable Martin Pakula MP, Minister for Tourism, Sport and Major Events, and the Honourable Ros Spence MP, Minister for Community Sport.

## Services provided

The Act outlines the range of services to be provided as sporting, educational, recreational, social and entertainment.

## Functions

The key functions of the State Sport Centres Trust are as follows:

- a. The management, operation and maintenance of the Melbourne Sports and Aquatic Centre and the State Netball Hockey Centre
- b. The care, improvement, use and promotion of the Melbourne Sports and Aquatic Centre and the State Netball Hockey Centre
- c. The efficient financial management of the Melbourne Sports and Aquatic Centre and the State Netball Hockey Centre
- d. The care, protection and management of the State Netball Hockey Centre land, and Melbourne Sports and Aquatic Centre land, including maintaining the Melbourne Sports and Aquatic Centre land and the facilities on the land to a standard that complements Albert Park
- e. Subject to the Act, the planning, development, management, promotion, operation and use of other sports, recreation and entertainment facilities and services in Victoria
- f. The development, management, promotion, operation and use of facilities and services for the parking of vehicles and other necessary services to be used in conjunction with any of the facilities or services managed or operated by SSCT
- g. To accept appointment and act as a committee of management of Crown lands
- h. Appointed Community Manager for Lakeside Stadium.





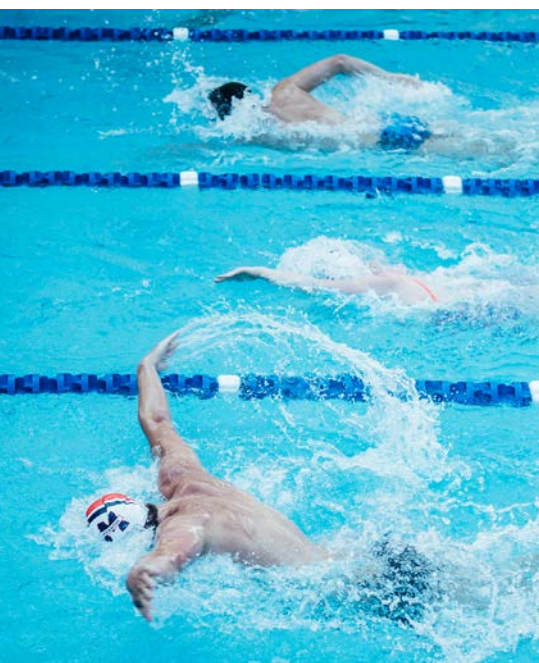
**We are the  
premier  
multi-sport  
facilities in  
Victoria.**



# OUR PURPOSE CONTINUED

## Vision

**We are the premier multi-sport facilities in Victoria. We empower and enable sporting organisations and individuals to achieve peak performance, reach their potential and deliver world class events. We inspire participation across Victoria through people attending significant events at our venues, and through successful athletes who we support to compete or train in our facilities.**



**We empower and enable sporting organisations and individuals to achieve peak performance, reach their potential and deliver world class events.**

## Mission

### How we do this

We provide a complete range of state-of-the-art sports facilities, incorporating the latest technology, flexible and accessible spaces which meet the needs of sports and participants to be successful.

We provide the expertise and leadership of one organisation to ensure best practice and stewardship of the State's sports facilities.

We partner with organisations, government and individuals in open, transparent and valued ways, to deliver positive and sustainable sporting outcomes for Victoria.

We support sports organisations to be successful, including through the provision of ancillary and support services.

We provide sports related support and wellness services for athletes, teams and clubs which contribute to their sporting success.

We play a vital part in the growth of sports participation by providing State significant events that generate community interest.

We provide training facilities and pathways for elite, sub-elite and serious amateur sports people that contribute to successful performance, in turn driving community interest and involvement in sport.

Our team are passionate industry leaders providing exceptional service and expertise for individuals and sporting associations.

## Strategy

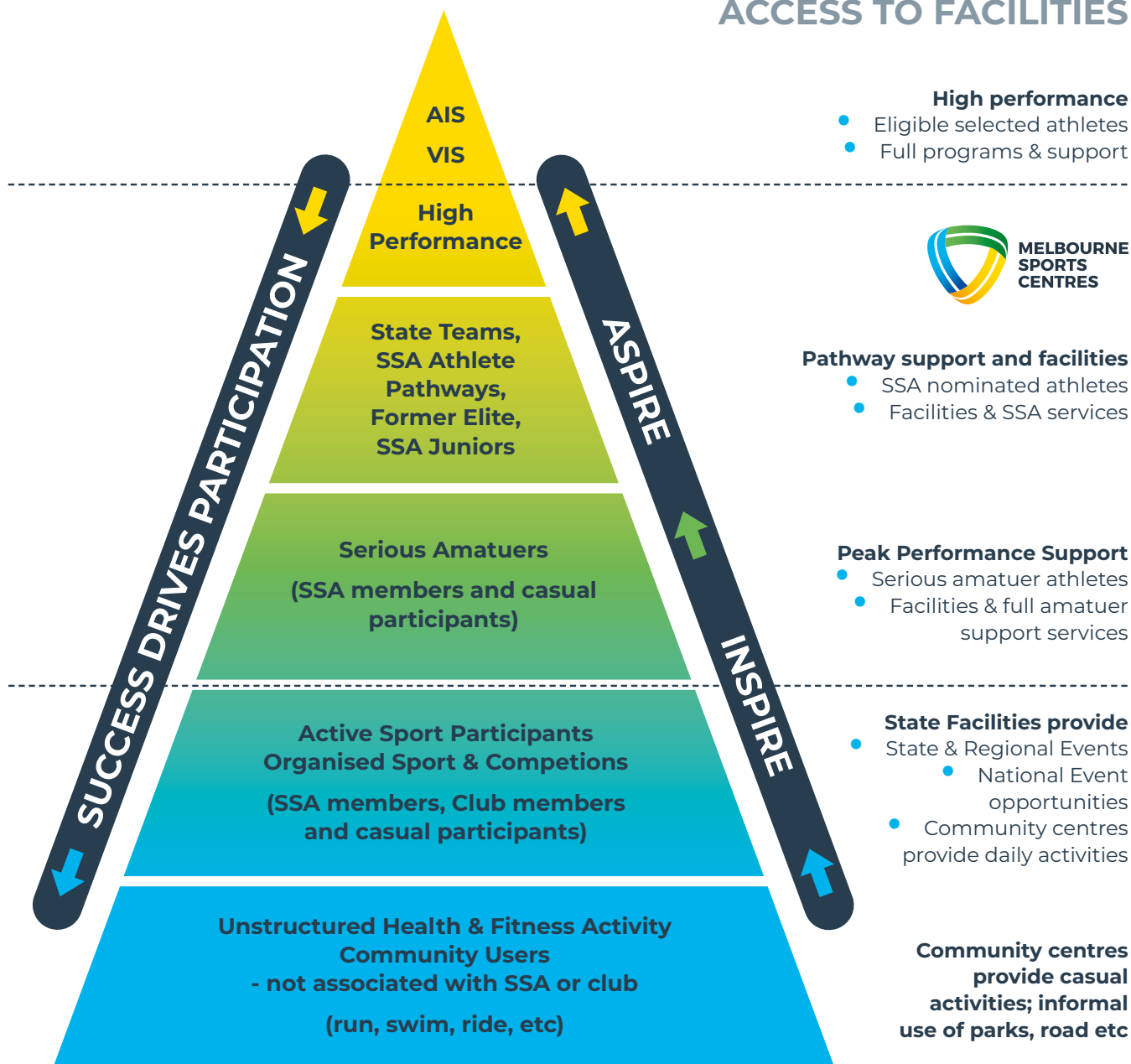
Our strategy is founded on a sports hierarchy model that delivers sports and societal dividends by balancing commercial outcomes; delivering peak performance; health and wellness benefits; and supports a mix of participants.

The sports hierarchy model leverages aggregated infrastructure under management by SSCT, to create a virtuous cycle whereby athletes and serious amateurs access highly desirable, centralised peak performance facilities. This in turn supports the sports pathways, events and participation and creates improved sporting outcomes for the State of Victoria.

The benefits are dividends to society in the form of health, wellness and community; and dividends to sport in the form of peak performance, sustainability and participation growth, leading to greater investment and employment in the sports sector throughout Victoria.

## DELIVERY

## PARTICIPANTS + ACCESS TO FACILITIES



PARTICIPATION DRIVES HEALTHY COMMUNITIES, WELLBEING AND LIVEABILITY



# OUR SPORTING TENANTS

## State sports associations

Athletics Victoria  
Badminton Victoria  
Basketball Victoria  
Diving Victoria  
Dragon Boat Victoria  
Girl Sports Victoria  
Hockey Victoria  
Judo Victoria  
Lacrosse Victoria  
Little Athletics Victoria  
Netball Victoria  
Rowing Victoria  
School Sport Victoria

Squash and Racquetball Victoria  
Swimming Victoria  
Table Tennis Victoria  
Touch Football Victoria  
Triathlon Victoria  
Water Polo Victoria

## National sporting organisations

Athletics Australia  
Badminton Australia  
Little Athletics Australia  
School Sport Australia

## Other sporting tenants

Australian Basketball Resources  
Melbourne United  
South Melbourne Districts Little Athletics Club  
South Melbourne Football Club  
Sports Dietitians Australia  
Sports Medicine Australia  
Sydney Swans Football Club  
Vicsport  
Victorian Institute of Sport





# OUR GOVERNANCE

## Trust members

Mr. Chris Jackson (Chairperson)

Ms. Tracey Cooper

Mr. Jack Diamond

Ms. Emma Race

Ms. Danni Roche OAM

Mr. Michael Ronaldson commenced as a Trust member on 1 September 2020.

Mr. Brett Moore ceased as Trust Chairperson on 31 August 2020.

Ms. Patsy Toop OAM ceased as a Trust member on 25 April 2021.

There is currently one vacant position on the Trust.

Mr. Chris Jackson and Mr. Jack Diamond were reappointed to the Trust during the year ended 30 June 2021.

## Audit & risk committee members

Ms. Tracey Cooper (Chairperson)

Mr. Chris Jackson

Mr. Michael Ronaldson

Mr. Jeff Floyd

Mr. Ian Thompson

## Executive team

Mr. Phil Meggs

**Chief Executive Officer**

Ms. Rebecca Brodie

**Chief Operating Officer**

Mr. Daniel Speed

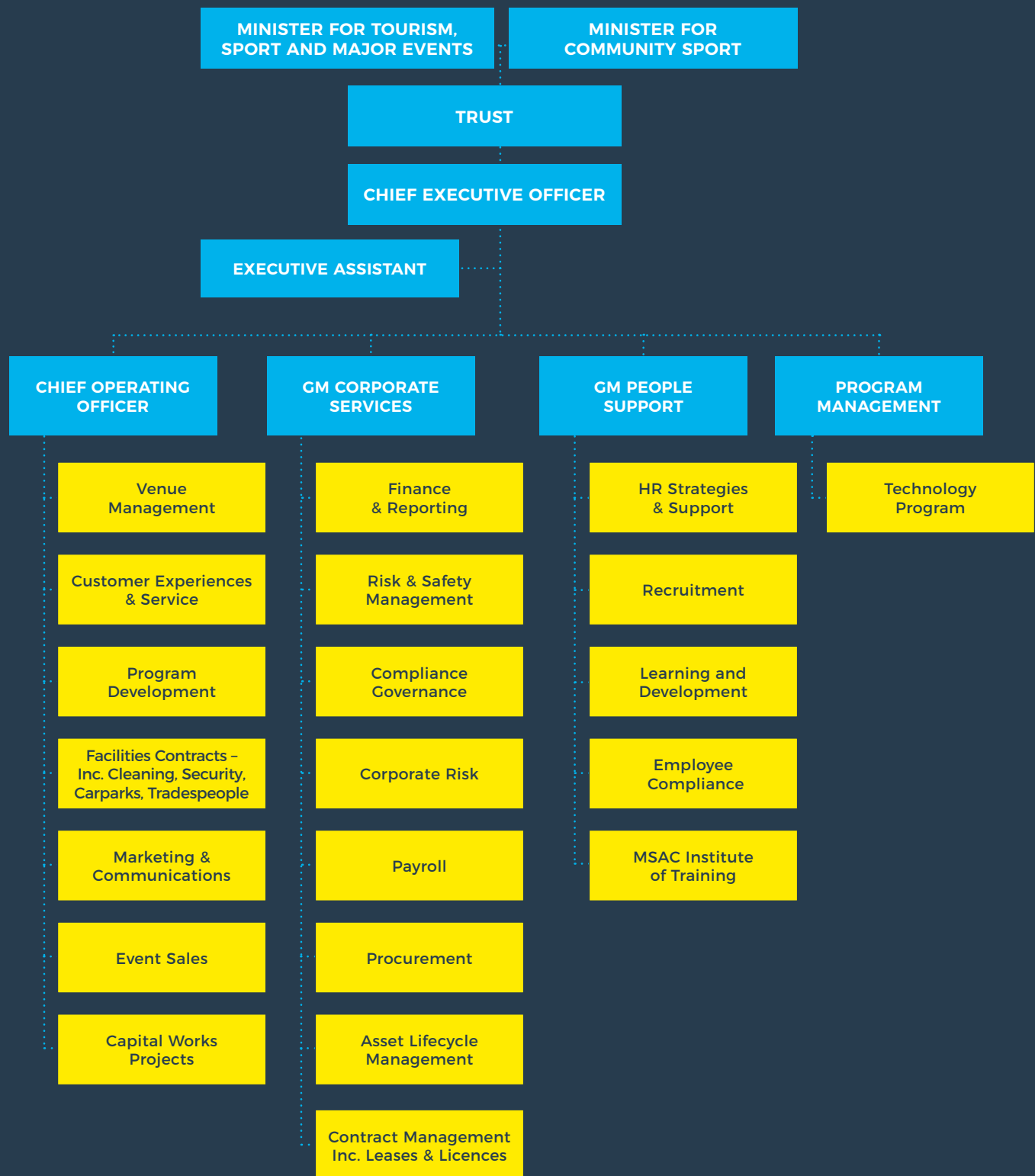
**GM Corporate Services**

Ms. Nicole Gomizel

**GM People Support**



# ORGANISATIONAL STRUCTURE



# DECLARATION & ATTESTATION

## Declaration in Report of Operations

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the State Sport Centres Trust for the year-ended 30 June 2021.



**Mr. Chris Jackson**  
Chairperson

## Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

### State Sport Centres Trust Financial Management Compliance Attestation Statement

I, Tracey Cooper, on behalf of the Responsible Body, certify that the State Sport Centres Trust has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



**Ms. Tracey Cooper**  
Audit & Risk Committee  
Chairperson





# OUR YEAR IN REVIEW

## Service disruptions

The 2020/21 year has continued to be a challenging time for everyone across the community. Ongoing coronavirus shutdowns and restrictions continued to impact on the Trust's facilities throughout the financial year.

Throughout significant parts of the year, Government restrictions forced the closure of all our venues with our team required to work from home unless they were essential on-site. With the support of the Victorian Government the Trust was able to keep paying our team through much of this period and ensure the facilities were kept safe, secured and maintained ready for future operations.

Despite interruptions and changing conditions, work continued throughout the year on the redevelopment of Melbourne Sports Centres – Parkville (formerly State Netball Hockey Centre). Other capital works have also been accelerated during this time, to reduce future disruption and ensure the assets

of SSCT meet the standard expected for the future. Details of works undertaken are provided throughout this Annual Report.

The impact across sport, and the world, has also had a very significant impact on the performance of the Trust. With no revenue for many months of the 2020/21 year, support for sports continuing through some access, shared rebates and other activities, the Trust made significant financial and cash losses. The Victorian Government has provided significant funding to ensure the ongoing operations of the Trust and maintaining the support for sport. We thank the Victorian Government for their continued support of the State Sport Centres Trust and sport in Victoria.



## Major investment

With the support of the Victorian Government's Building Works Package, the SSCT has undertaken further capital investment during 2020/21, including a selection of capital works projects commenced or completed as noted below:

- further disability and accessibility upgrades – undertaken a number of upgrades across our venues to provide support and access for individuals with varying needs including additional refurbishment and upgrade of changerooms and toilets across MSAC and Lakeside Stadium
- Lakeside Stadium pitch resurfacing
- MSAC Aquatics Entry refurbishment including additional food and beverage offerings
- MSAC Indoor Competition pool concourse retiling
- MSAC external works including fencing, roadway and pathways and irrigation works
- upgraded Building Automation System works have commenced
- additional Sports House refurbishment works to provide upgraded amenity for tenants
- MSAC Air Handling Units project continues to reconfigure all air handling across MSAC with energy saving design
- MSAC Hydrotherapy Pool works including relining of existing pool and addition of new cold water recovery pool to provide further rehabilitation options for all users
- lift refurbishments, and
- various furniture, fixtures and equipment across all venues.

## Melbourne Sports Centres – Parkville redevelopment

The \$64.6 million redevelopment of Melbourne Sports Centres – Parkville was completed in June 2021. The redevelopment is the centrepiece of the Victorian Government's record investment in women's sport.

The newly opened venue provides more opportunities for women of all ages to get active and strive for their best, on and off the courts.

The venue caters for elite athletes and competition as well as being a hub for athlete development, major sport programs, sector education programs, and sports administration.

The recently completed project will cement Parkville as the home for netball and hockey in Australia and includes the following additional facilities:

- six new indoor netball courts to replace the old four outdoor courts
- a new indoor hockey facility to support the new and emerging sport of indoor hockey
- a high-performance strength and conditioning gym
- Sports House 2 – modelled on 'Sports House' at the Melbourne Sports and Aquatic Centre, and providing a home for the peak sporting bodies Netball Victoria and Hockey Victoria, and
- upgrades to amenities and infrastructure including: the development of a new front entrance, providing for improved circulation and improving access to local public transport.



**The recently completed Parkville project will cement the venue as the home for netball and hockey in Australia.**



# OUR YEAR IN REVIEW CONTINUED

## Major events

Managing the demand for use of the Trust's facilities in the new COVID-19 environment experienced across 2020/21 was understandably complex. As with many in the community, the Trust stayed flexible and adaptable to work within changing restrictions and offer as many services to all users as possible. The first half of the financial year saw the majority of events and community sport cancelled or postponed due to impacts and restrictions of COVID-19 however from November 2020, with the easing of restrictions saw activity quickly ramp up throughout our facilities.

A key component of the first phase of the 2020 COVID-19 environment was the need to deliver a safe, secure and compliant environment for events. This included catering for our existing list of clients, as well as finding solutions for new clients unable to find safe and compliant facilities around greater Melbourne or regional Victoria. This included clients who had been unable to train in their existing facilities due to 'bubbles' created for other users and venues. With border closures increasing through the year, many athletes were unable to travel for events and this resulted in increased virtual events or event cancellations.



**The Trust stayed flexible and adaptable to work within frequently changing restrictions.**



### Melbourne Sports Centres – Parkville

Due to impacts of COVID-19 and the ongoing redevelopment, Melbourne Sport Centres – Parkville held limited events over the previous 12 months. The venue did continue to host Parkville Netball Competition once restrictions allowed and hosted training for the following teams:

- Melbourne Vixens
- VIS Hockey
- Fencing Victoria
- Netball Australia Camps

### Melbourne Sports Centres – Lakeside Stadium

The stadium hosted a number of high-profile events, some of which included:

- NPL Victoria men's and women's matches
- Athletics Australia Melbourne Track Classic
- Athletics Victoria State Championships
- Little Athletics Victoria State Championships

### Melbourne Sports Centres – MSAC Aquatics

MSAC saw the return of key aquatic events or pivoting to virtual events, alongside athletes across other States and venues, including:

- Swimming Australia National Short Course Championships [Virtual]
- Swimming Victoria State Age & Open Long Course Championships
- Swimming Victoria Sprint Championships

- Swimming Victoria Victorian Relay Championships [Virtual]
- Diving Victoria Aged Championships and Elite Junior Qualifiers

### MSAC Stadiums

In addition to our tenant sports (basketball, badminton, squash and table tennis), several other state and national events were held in MSAC's multi-use halls, including a number of championship competitions:

- Australian All Star Cheerleading Federation State Championships
- AFBJJ Jiu Jitsu National Championship
- Kings of Kombat
- MSAC also regularly hosted elite teams and athletes for training, competition and recovery sessions. Guest teams in 2020/21 included:
  - Australian Boomers
  - Australian Opals
  - Australian Rollers
  - Melbourne Tigers NBL1 (Male and Female)
  - Melbourne Rebels
- NBL Clubs as part of the Melbourne NBL Hub
  - Sydney Kings
  - Brisbane Bullets
  - Cairns Taipans
  - Wollongong Hawks
  - Perth Wildcats
  - Townsville Crocs
  - NZ Breakers
  - Adelaide 36ers
  - Melbourne United
  - SE Phoenix

### AFL/AFLW Clubs

- Collingwood Football Club
- North Melbourne Football Club
- Melbourne Football Club
- Hawthorn Football Club
- Sydney Swans Football Club
- West Coast Football Club
- Fremantle Football Club



# OUR YEAR IN REVIEW CONTINUED

## Memberships & Gym

Re-opening following the 2020 COVID-19 lockdowns was always going to be challenging as not only did the lockdowns change people's routines, but they created a high level of uncertainty around how we go about our day to day lives. The Trust experienced approximately 30% drop in membership numbers from the pre-COVID-19 high as a result of the various changes. To assist and encourage our members to return in late 2020, we offered one month complementary membership to all of our members and despite recent lockdowns, membership numbers continue to rise each week.

Our group fitness timetable now offers over 100 classes every week with new classes including Abs and Core, Boxing and High-Intensity Interval Training (HIIT). Due to the success of our outdoor group fitness classes in 2020, both Cycle and Pilates will return to Lakeside in Spring of 2021.

In early 2021, equipment upgrades were made in both the MSAC gym and Athlete Performance Centre. In the MSAC gym, upgrades of older strength equipment was completed including many new diverse and 'multi-use' stations. In the Athlete Performance Centre, additional free-weights were added to accommodate more specifically for larger sporting teams and/or organisations.

## Swim School

Like memberships, swim school enrolments have seen a significant reduction in numbers as a result of the ongoing challenges faced over the last year.

In addition, the industry has faced ongoing staffing challenges with many instructors moving away from the industry given the impact of the pandemic, which has resulted in reduced capacity.

Moving forward, we continue to look to expand our offering where possible, which will include a partnership arrangement with the Deakin University School of Health Science, that will aim to work with Physical Education students for whom a swim teaching qualification is mandatory into our programs for the duration of their tertiary study.

## Squad Program

The MSAC Squad Program has slowly been growing from its infancy a couple of years ago. Indeed, it has continued to grow despite the challenges faced over the last 18 months. From 103 swimmers pre COVID-19, the program has grown to 151 squad members at year end. Results achieved by squad swimmers have been impressive including 14 National Open, 13 National Age and 2 Multiclass athletes competing at the 2021 Australian Nationals in April 2021. In addition, 11 athletes qualified to compete at the Olympic Trials event in Adelaide in June 2021.





## Children's Programs

Children's Programs have not formally re-started since reopening post COVID-19.

The Trust has plans to slowly reintegrate these programs across the latter part of 2021 supported by a targeted approach to attracting and retaining new school groups.

## Occasional Childcare

Our occasional care service has been non-operational for a significant portion of the year due to COVID-19 but has re-opened gradually to provide some level of access and service to our members. Since re-opening, we have targeted service delivery on half day sessions four days per week, supporting reduced demand.

## Food and Beverage

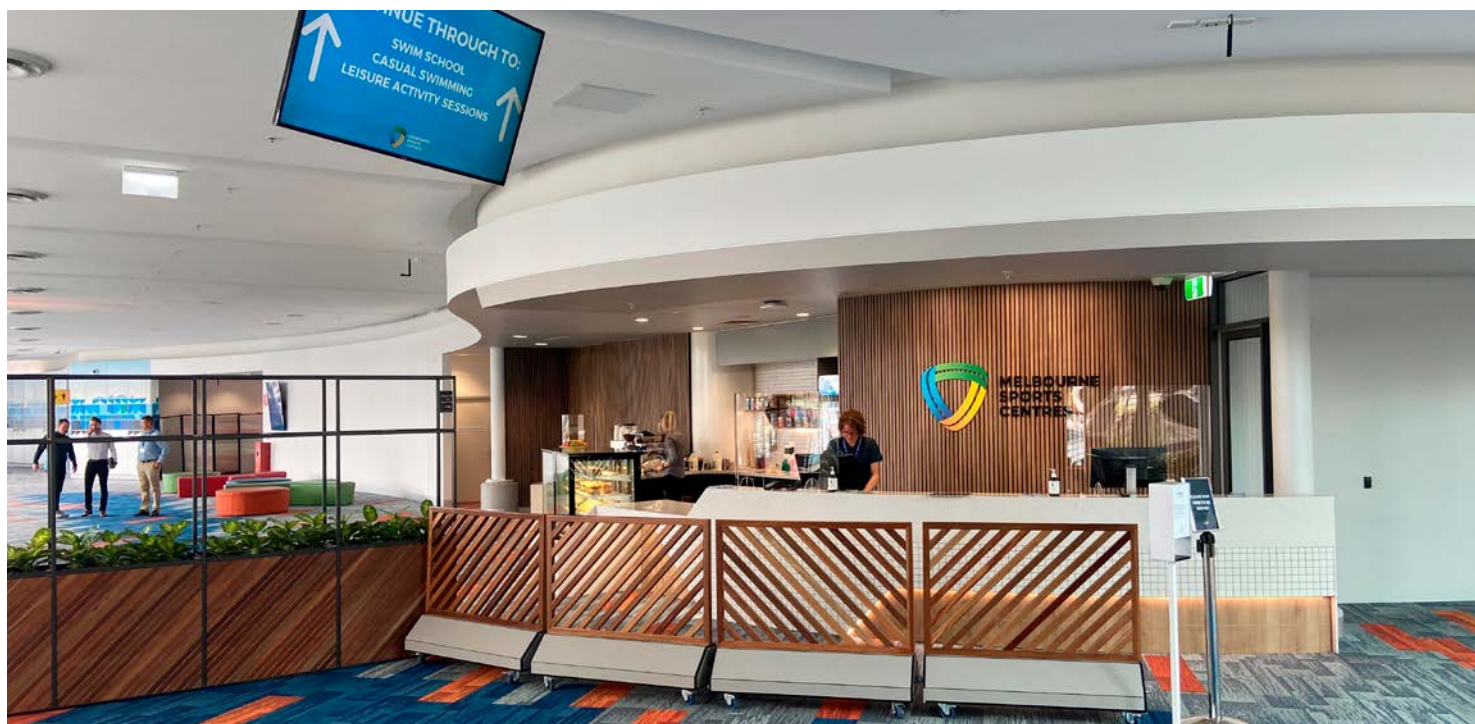
SSCT Food and Beverage operations have, like all areas of the business, been significantly impacted throughout the year. The closures did provide an opportunity to replace pop up kiosk arrangements at MSAC with permanent food and beverage fit outs at the ground floor Aquatics entry and first floor Aquatics foyer, servicing the outdoor grandstand. Along with the new café at Parkville, this provides significant amenity and offerings to all of our users.

## Community Reference Panel

MSAC continues to host the Community Reference Panel as part of our commitment to better understand the needs of our visitors and to identify opportunities to improve our day-to-day operations and service delivery.

Meeting quarterly, the Panel offers MSAC management the opportunity to engage with community representatives on the operations at MSAC from the perspective of our various users. This includes:

- providing management with information and feedback as to how we can best service our members, visitors and other user groups, and
- identifying issues, concerns and feedback that MSAC need to take into consideration during projects and day-to-day operations.



# OUR YEAR IN REVIEW CONTINUED





## Safety, Risk Management & Compliance

The SSCT is committed to enabling sporting organisations and individuals to reach their potential with state-of-the-art facilities and world class events. The core purpose of the Safety, Risk Management & Compliance function is to support and enable the achievement of the SSCT's strategic objectives, as well as delivering a safe and healthy environment as far as reasonably practicable for employees, contractors and visitors.

This is facilitated through the ongoing maintenance of a robust Risk Management Framework and Workplace Health and Safety Management System; developed and implemented to comply with the requirements of the *ISO Risk Management 31000:2018*, *Victorian Government Risk Management Framework 2021*, *Occupational Health and Safety Act 2004*, and the *AS 4801 OHS Management Systems*.

The SSCT aims to meet the requirements of the management system through:

- high workforce engagement through the development of risk and safety culture

- continuous improvement through compliance and improvement action monitoring
- promotion of preventive reporting and risk assessment, and
- provision of industry relevant initiatives and tools in the application of safety and risk management.

The key achievements for the year include:

- a 77.68% decrease in total injuries per 1000 visits across the venues, when compared to the previous year – 81% of those injuries relate exclusively to injuries sustained during sporting activity
- the introduction of the 24/7 reporting platform to align Incident Reporting, Hazard & Improvement Reporting, Work Orders and Lost & Found data into a centric solution

- the ongoing implementation of DHHS compliant COVID-19 Management systems to respond to the current global public health emergency
- introduction of compliance inspections for SSCT Tenancies
- audit & review of business continuity, disaster recovery and privacy practices.

### Injuries per 1,000 visits:

Venue	2021	2020	2019
MSAC	0.34	0.57	0.31
Parkville	0.03	0.68	0.08
Lakeside	0.01	0.08	0.31

### Lost Time Ratio:

	2021	2020	2019
SSCT	3.24	1.84	1.59

(Total number of staff injuries resulting in lost time per 100 full time equivalent staff members.)

### Preventative Reporting & Hazard Management:

Category	2021	2020	2019
Preventative Reports (Hazard, near miss and improvement reports)	61	117	169
Staff and Public Injuries (Excluding injuries sustained as a result of sport activity)	73	238	302



**The SSCT is committed to enabling sporting organisations and individuals to reach their potential.**



# OUR YEAR IN REVIEW CONTINUED

## Information Communication & Technology

2020-21 continued to build from the significant developments and improvements initiated in the information communication and technology environment during 2019-20.

SSCT's "Cloud First" strategy has matured through updates and enhancements to application and infrastructure services. All core information management business systems are now delivered as "Software as a Service" (SaaS) which brings operational benefits in many dimensions.

SaaS solution update cycles are more frequent than traditional on-premises solutions. Additionally, server infrastructure requirements are reduced. This has the combined benefit where SaaS solution's functionality is better aligned to customer's expectations while reducing solution delivery costs.

The shift to SaaS solutions has increased dependency on internet links. SSCT has worked closely with our Service and Telco partners to update internet links to increase capacity, resilience and redundancy at all venues.

The refurbished Melbourne Sports Centres Parkville was reopened in late June 2021. This was a unique opportunity to review strategic plans for network infrastructure services and set the pathway for future technology at other venues through lifecycle management planning. SSCT installed Hewlett Packard and Aruba network services at Melbourne Sports Centres Parkville.

During 2020/21 SSCT undertook the following technology improvements.

- The Dayforce Human Resource Management System was selected to replace the suite of multi-vendor systems operating in the recruiting, scheduling, payroll and Learning Management space. The Dayforce solution is a single vendor SaaS solution and will go-live at SSCT in August 2021.
- On-premise server infrastructure requirements have been reduced with migration to SaaS solutions. The on-premise server inventory has reduced from 35 to 10.
- SSCT has initiated systems integration between a number of systems including the Event and Booking system and building automation to enable lighting and HVAC according to booked spaces.
- Cyber security remained a focus in 2021. Assisted by independent cyber-security specialists SSCT successfully completed external penetration testing and has addressed all test findings.
- The Data Optimisation Project was initiated and will deliver a centralized dashboard and reporting platform to simplify reporting across core systems. The platform leverages consolidated data sourced from the events and bookings, gym management, point of sale and human resource management systems.

Greater operational efficiencies assisted by technical system integration is a major focus in 2021-22 to ensure investments made in individual systems are matured to smart solutions which enhance the customer's experiences.

## People Support

The goal of the People Support team is to support SSCT to achieve its Strategic Plan, while ensuring employees are engaged and motivated to help SSCT succeed.

Key areas of responsibility include:

- recruitment and talent acquisition
- employee development
- workforce capability
- policy development
- training and development
- reward and remuneration
- employee relations.

Key achievements in the people and culture space over the year include:

- during the height of the pandemic, enabled the ongoing work for those deemed essential employees and assist in the redeployment of almost 100 staff through the Government Redeployment program, which saw them continue to receive financial support from March 2020 through to March 2021 and work across various other government departments and agencies

- for employees that were unable to work during various lockdowns, the People Support team along with the Operational teams provided a program of activities which included learning and development, exercise and cooking classes, trivia and daily step competitions to continue engagement with employees
- commenced the implementation project for the new people management system, Dayforce, and
- developed a skills matrix for all operational roles across the business, to assist with processes such as hiring and performance reviews.

## Facilities Maintenance

The Facilities and Maintenance team have utilised the unfortunate closures to perform significant further venue upgrades and capital projects, ensuring minimal disruption to visitors and tenants during periods when our venues were able to open. With the main focus on longevity, the team have ensured infrastructure and equipment upgrades will provide the venues can operate efficiently for many years to come.

During the last year, the Trust has also undertaken the development of a Net Zero Emissions strategy, in line with the Victorian Government's legislated target for the State to reach net zero emissions by 2050.

Through this strategy, the Trust has identified a number of emission reduction opportunities across the short to medium term which will enable it to plan its ongoing capital investment and asset management program.



**The Trust has undertaken the development of a Net Zero Emissions strategy.**





# OUR YEAR IN REVIEW

## CONTINUED

### Financial Overview

#### Operating Statement

For the financial year ended 30 June 2021, SSCT made an operating loss of \$0.3 million, with a net deficit position from total transactions of \$14 million realised after depreciation is taken into consideration. The small operating loss was supported by the receipt of \$13.5m of operating funding received during the year and is representative of the on-going support SSCT provides to State Sport, the ever-increasing cost base of operations and providing state-of-the-art facilities, and existing liabilities required to be repaid during the period.

The significant funding received reflected the significant reduction in the sale of goods and services during the year, as a result of the impacts of the COVID-19 pandemic, whilst many costs remained as a result of facilities remaining open for limited usage during the year to support high performance pathways.

#### Balance Sheet

Liabilities have again decreased from prior year, largely due to a reduction in Trade Creditors from prior year and a continued reduction in borrowings year on year.

It is noted that SSCT had a number of capital projects which were still on-going over financial year-end and therefore the payments of these projects will be made in the 2021/22 financial year, despite funding having already been received.

The balance sheet also includes the revaluation of land and buildings during the year totalling a net \$259.7 million increase in the carrying value of Property, plant and equipment.

#### Changes in Equity

SSCT has recorded an increase in equity of \$287.9 million in 2020/21. This was as a result of the following key factors:

- revaluation of land and buildings during the year of \$259.7 million
- capital funding received of \$20.6 million
- Melbourne Sports Centres – Parkville Redevelopment funding received of \$14 million
- SBC Redevelopment funding received of \$7.6 million
- a net loss for the year of \$14 million.

### Cash Flows

SSCT recorded an increase in cash held of \$8.9 million, as a result of timing of capital funding payments.

### Five Year Performance

	2020/21 (\$'000)	2019/20 (\$'000)	2018/19 (\$'000)	2017/18 (\$'000)	2016/17 (\$'000)
<b>Income</b>	20,766	33,066	26,220	26,065	29,229
<b>Expenses</b>	21,060	(29,889)	(27,106)	(25,256)	(27,346)
<b>Operating Result</b>	<b>(294)</b>	<b>3,177</b>	<b>(886)</b>	<b>809</b>	<b>1,833</b>
<b>Depreciation</b>	(13,747)	(13,100)	(12,983)	(12,863)	(12,367)
<b>Net Result From Transactions</b>	<b>(14,041)</b>	<b>(9,923)</b>	<b>(13,869)</b>	<b>(12,054)</b>	<b>(10,484)</b>
<b>Total Assets</b>	<b>708,310</b>	<b>423,730</b>	<b>399,352</b>	<b>382,998</b>	<b>389,046</b>
<b>Total Liabilities</b>	<b>4,448</b>	<b>7,733</b>	<b>14,518</b>	<b>6,427</b>	<b>6,986</b>



MELBOURN  
SPORTS  
CENTRES





# LEGISLATIVE & GOVERNMENT POLICY COMPLIANCE

## Freedom of Information

The *Freedom of Information Act 1982* allows for the public a right of access to documents held by SSCT. For the 12 months to 30 June 2021 SSCT received no requests for information pursuant to the *Freedom of Information Act 1982* (2020: 0).

## Making a Request

Access to documents may be obtained through written requests to the Chief Executive Officer – State Sport Centres Trust, as detailed in s17 of the *Freedom of Information Act 1982*. In summary, the requirements for making a request are:

- it should be in writing
- it should identify as clearly as possible which document is being requested, and

- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of SSCT should be addressed to:

Chief Executive Officer –  
State Sport Centres Trust

Sports House  
375 Albert Road  
Albert Park VIC 3206

Requests can also be lodged online at [www.foi.vic.gov.au](http://www.foi.vic.gov.au)

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](http://www.foi.vic.gov.au)

## Categories of Documents

SSCT maintains records and files incorporating documents relating to general administrative matters and the operation of SSCT facilities.

All records and files are maintained at SSCT's premises at Albert Park and Parkville.

## Compliance with Building Act 1993

Pursuant to its obligations under Section 220 of the Building Act 1993 the Trust has identified and fully investigated combustible cladding at MSAC and SNHC which have been assessed as moderate and low risk respectively.



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 MSAC and SNHC. The Trust have recognised the risk and put in place appropriate mitigation strategies until long term rectification works are undertaken, a process which is currently underway.

## National Competition Policy

SSCT applies the principles of competitive neutrality to all commercial operations in accordance with the Victorian Government Competitive Neutrality Policy, where it is in competition with private sector enterprises, but where the provision of services or facilities by SSCT is deemed to be in the public benefit, the principles are not applied.

## Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSC) policy which were previously administered separately. This requires SSCT to apply the Local Jobs First policy in all projects over \$3 million. During 2020/21 SSCT did not commence or complete a contract to which the Local Jobs First policy applied.

## Additional Information Available on Request

Relevant information detailed in Financial Reporting Direction (FRD) 22H 'Standard Disclosures in the Report of Operations' under the *Financial Management Act 1994* Section 3 is retained by SSCT's Accountable Officer and is available on request, subject to the *Freedom of Information Act 1982*.

## Employment and Conduct Principles

SSCT is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

## Social Procurement

Victoria's Social Procurement Framework governs how the Victorian Government undertakes social procurement when it procures goods, services and construction. SSCT as a statutory authority complies with the requirements of the Social Procurement Framework, helping to build a fair, inclusive and sustainable state through procurement. By using the Government's buying power, the Social Procurement framework enables buyers and suppliers to deliver social, economic and environmental outcomes that benefit the Victorian community, the economy and the environment.

At SSCT we understand that by choosing to use social benefit suppliers, our seemingly small choices can have wide-reaching positive impact on others in our community. We are building processes and tools to do this at every stage of the procurement process. These actions include:

- targeted strategies via strategic sourcing plans with targeted approaches to known social procurement organisations
- knowledge development for both internal and external stakeholders through the use of the tender selection criteria, which requests feedback about supplier support of the Victorian Social Procurement Framework
- development of a supplier onboarding package that includes specific references to the Victorian Social Procurement Framework, and
- developing comprehensive reporting processes that support reporting on each stage of the procurement lifecycle.



# LEGISLATIVE & GOVERNMENT POLICY COMPLIANCE CONTINUED

## Compliance with the Public Interest Disclosures Act 2012 (formerly, the Whistleblowers Protection Act 2001)

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

SSCT 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. SSCT 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 SSCT or any of its employees and/or officers may be made to the following officer:

### The Protected Disclosure Coordinator and Officer:

Daniel Speed  
General Manager Corporate Services

Sports House  
375 Albert Road  
Albert Park VIC 3206

**Email:** DanielS@ssct.com.au

**Telephone:** (03) 9926 1520

Alternatively, disclosures of improper conduct or detrimental action by SSCT 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](http://www.ibac.vic.gov.au)

**Email:** (refer website above)

### Further Information

The Protected Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by SSCT or any of its employees and/or officers are available for public perusal.

### Disclosures under the Public Interest Disclosures Act 2012

The number of disclosures made by an individual to SSCT and notified to the Independent Broad-based Anti-corruption Commission:

	2020/21	2019/20
Assessable disclosures	-	-



## Victoria's Public Sport Trusts Statement of Expectations

The State Sport Centres Trust Business Plan 2020/21 incorporated specified expectations as included in the Victoria's Public Sport Trusts Statement of Expectations Handbook. Only those expectations outlined by the Minister of Sport in a letter to SSCT have been outlined below. The following expectations were followed during the year:

### 1. Use and Purpose of the Venues

The Trust is committed to actively encouraging the use of the SSCT venues as 'venues of choice' for athlete pathway programs, high performance training, professional teams and significant and major events whilst maintaining accessibility and programs for community sport and recreation.

In line with the Vision of the Trust, "We are the premier multi-sport facilities in Victoria. We empower and enable sporting organisations and individuals to achieve peak performance, reach their potential and deliver world class events. We inspire participation across Victoria through people attending significant events at our venues, and through successful athletes who we support to compete or train in our facilities."

The role of the Trust is critical in supporting the sports system, athlete development, and growing participation through inspiring people.

### 2. Stakeholder Engagement and Research

As the provider of front-line services, the Trust has a day-to-day relationship with the community. The Trust has ongoing engagement with stakeholders including the MSAC Community Reference Panel, SNHC Advisory Committee, Quarterly meetings held between Trust management and State Sports Associations as well as having direct access to management for ad hoc discussions as required, surveys sent to members, and ongoing employee feedback and reporting processes.

### 3. Corporate Governance

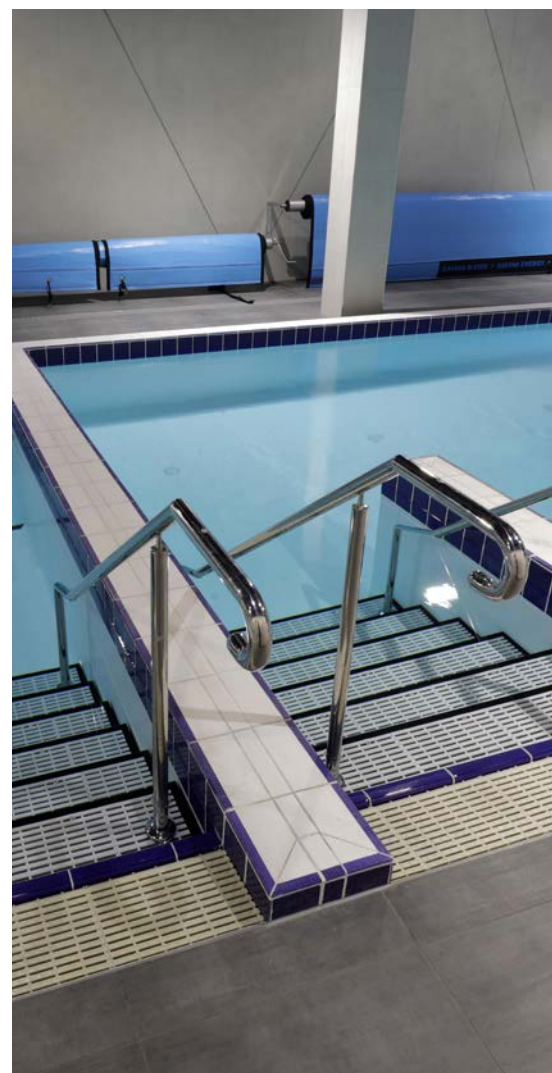
The enabling legislation of SSCT is outlined on page 2 under 'Establishment'.

In its operations, the Trust also complies with other legislation including the Financial Management Act 1994, Public Administration Act 2004, Major Events Act 2009 and other compliance legislation and regulations as applicable.

### 4. Alignment with the Active Victoria Framework

As the operator of key venues within Victoria's major stadia network, the Trust must deliver on the Government's State Facilities objectives in line with Active Victoria's strategic directions. The Trust works with the Government to build and maintain Victoria's capacity to attract and retain major and significant events; support state level and professional

sporting teams competing in national and international competitions; support athlete development via the provision of quality high performance coaching, training, sport science and recovery facilities for high performance state and national level athletes; provides access to appropriate facilities that support state-wide administration of sport; and ensures access and opportunities for participation in sport and recreation by all Victorians.





# LEGISLATIVE & GOVERNMENT POLICY COMPLIANCE CONTINUED

## 5. Economic Impact and Benefits Study

During the year, the Trust undertook an Economic Impact and Benefits study. The report assessed both the quantitative and qualitative benefits the running of the Melbourne Sports Centres (MSC) venues have on the State of Victoria.

The quantitative benefit assessed totalled \$164.7m economic contribution as well as 1,180 jobs. This economic impact outlines the effect our venues have on not only the sports sector and healthy and active lifestyles, but also delivering a clear demonstrable economic benefit and return on investment for the State of Victoria.

## 6. Trust process and performance

The Trust has policies and procedures in place which promote good governance including developing, and reviewing position descriptions for the Chair and Trustees, in partnership with the department; developing, and reviewing a skills matrix developed and maintained in partnership with the department; ensuring each Trustee's declaration of private interests is updated annually; actively address any conflict of interest at each Trust meeting; reviewing its own performance annually; undertaking, through the Chairperson, a performance review of each Trustee six months prior to the end of that Trustee's term; and ensuring that Trustees, the Chief Executive Officer and staff exemplify the behaviours and values contained within the 'Code of Conduct for Victorian Public Sector Employees' issued by the Victorian Public Sector Commission.

## 7. People Matters Survey

The Trust participated in the Victorian Public Sector Commission's 2021 People Matters Survey.

## 8. Diversity and Inclusion Employment

In 2020/21, the Trust developed an Inclusion Action Plan, highlighting key focuses and actions across the entire organisation, focused on the four pillars of people, places, programs and perceptions.

## 9. Environmental Sustainability

During the year, the Trust has commenced the development of a Net Zero Emissions strategy, in line with the Victorian Government's legislated target for the state to reach net zero emissions by 2050.

Through this strategy, the Trust has identified a number of emission reduction opportunities across the short to medium term which will enable it to plan its ongoing capital investment and asset management program.

## 10. Corporate and Asset Management Planning

The Trust has submitted its Corporate Plan for the 2021 to 2025 4 year period and continues to work closely with the Department of Jobs, Precincts and Regions on its continuous improvement in relation to its Asset Management Planning capability in line with the Asset Management Accountability Framework.



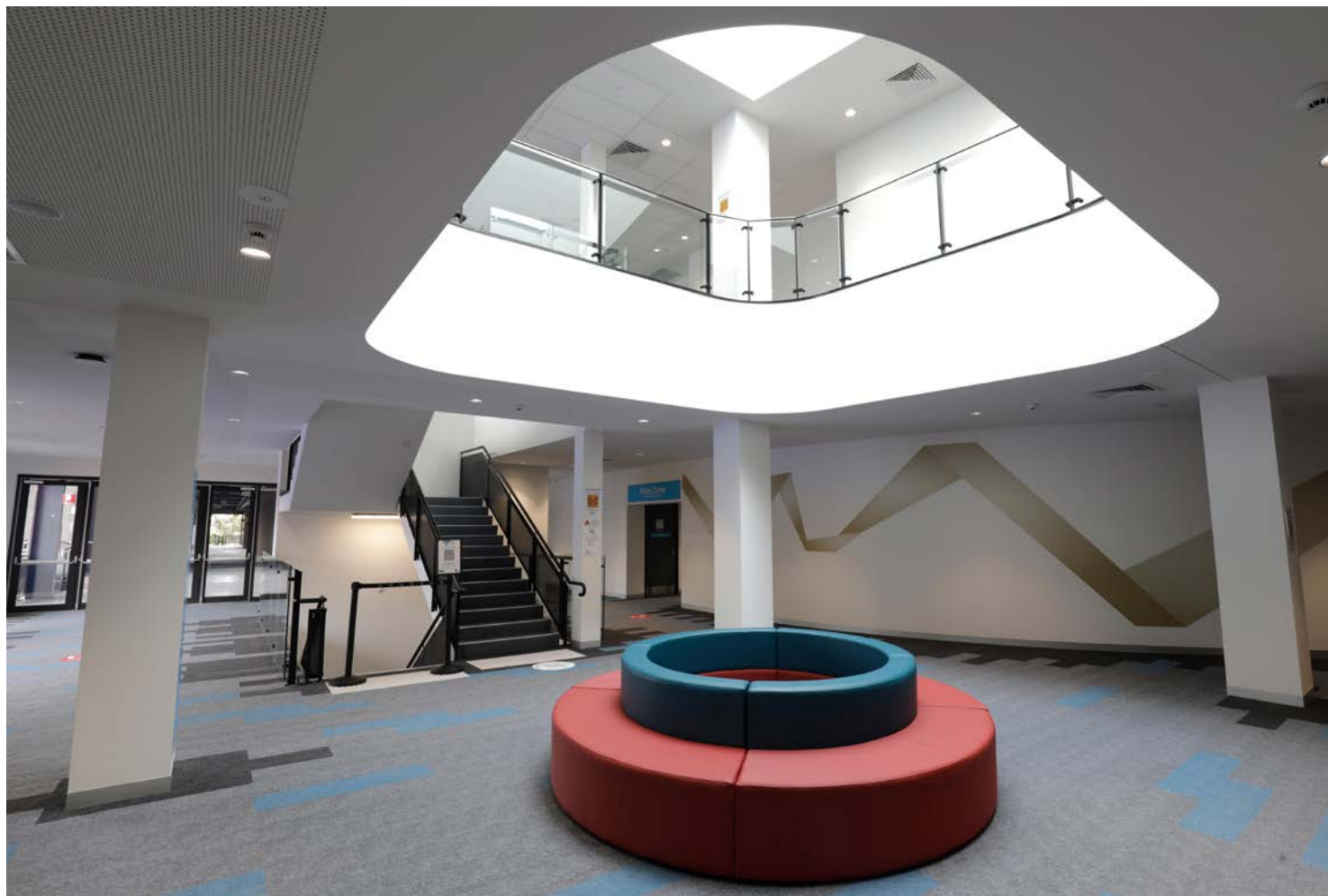
## Consultancy Services

### Consultancies costing in excess of \$10,000 (excl. GST):

Consultant	Description	Start Date	End Date	Total Approved Project Fee (\$)	2020/21 Expenditure (\$)	Future Expenditure (\$)
Utility Consulting and Management Services Pty Ltd	Net Zero Emissions Pathway Review	29/10/2020	28/02/2021	47,500	47,500	-
Ernst & Young	Economic Impact Review	08/04/2019	27/06/2019	43,500	43,500	-

### Consultancies costing less than \$10,000 (excl. GST):

- Number: 1 (2020: Nil)
- Total Amount: \$9,250 (2020: Nil)







## Disclosure of Grants and Transfer Payments

During the year, the following grant payments were received/receivable:

Organisation	Agreement	Grant Type	Amount (\$)
Department of Jobs, Precincts & Regions	Operational Funding 2020/21	General	13,320,000
	2021 NBL Hub Funding	General	200,000
	<b>Total - Operational</b>		<b>13,520,000</b>
	State Netball Hockey Centre Redevelopment 2020/21	Specific	14,025,323
	State Basketball Centre Redevelopment 2020/21	Specific	7,646,173
	COVIDSafe Activities Program	Specific	275,000
	MSAC Cladding Replacement Program	Specific	402,406
	<b>Total - Specific</b>		<b>22,348,902</b>
	Capital Funding 2020/21	Capital	18,750,000
	<b>Total - Capital</b>		<b>18,750,000</b>
	<b>Total - Grants Received (DJPR)</b>		<b>54,618,902</b>
<b>Total</b>	<b>Total - All Grants Received</b>		<b>54,618,902</b>

During the year, the following grant payments were paid/payable:

Organisation	Agreement	Grant Type	Amount (\$)
Development Victoria	State Netball Hockey Centre Redevelopment 2020/21	Specific	14,025,323
	State Basketball Centre Redevelopment 2020/21	Specific	7,646,173
	<b>Total - Specific</b>		<b>21,671,496</b>
	<b>Total - Grants Paid (DV)</b>		<b>21,671,496</b>
<b>Total</b>	<b>Total - All Grants Paid</b>		<b>21,671,496</b>

## Government Advertising Expenditure

SSCT did not undertake any campaigns with a media spend of \$100,000 or greater during the year-ended 30 June 2021.

## Details of Information and Communication Technology (ICT) Expenditure

Total ICT expenditure incurred during the year-ended 30 June 2021 was:

Spend Type	Operational Expenditure	Capital Expenditure	Total
Business as Usual	927,443	-	927,443
Non-Business as Usual	-	516,262	516,262
<b>Total</b>	<b>927,443</b>	<b>516,262</b>	<b>1,443,706</b>



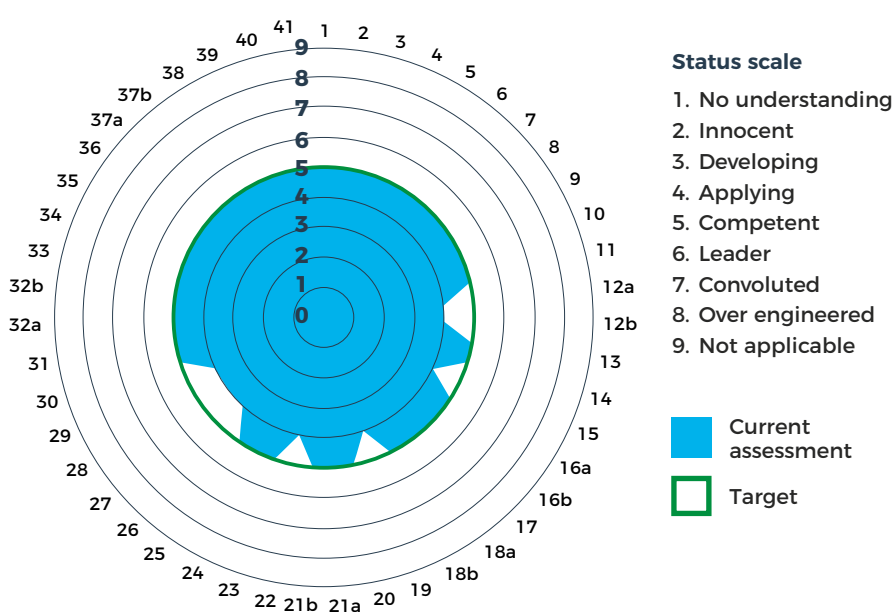
# LEGISLATIVE & GOVERNMENT POLICY COMPLIANCE CONTINUED

## Asset Management Accountability Framework (AMAF) maturity assessment

The following sections summarise the State Sports Centres Trust's (SSCT) assessment of its maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements.

SSCT's target maturity rating is 'competent', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, includes a continuous improvement process to expand system performance above AMAF minimum requirements.

Asset Management maturity status 2020-21



### Leadership and Accountability (Requirements 1-19)

SSCT has met its target maturity level under most requirements within this category.

There is no material non-compliance reported in this category. A plan for improvement is in place to improve the requirement from "Applying" to "Competent" for 4 requirements.

### Planning (Requirements 20-23)

SSCT has met its target maturity level under most requirements within this category.

There is no material non-compliance reported in this category. A plan for improvement is in place to improve the requirement from "Applying" to "Competent" for 1 requirement.

### Acquisition (Requirements 24-25)

SSCT has met its target maturity level in this category.

### Operation (Requirements 26-40)

SSCT has met its target maturity level under most requirements within this category.

There is no material non-compliance reported in this category. A plan for improvement is in place to improve the requirements from "Applying" to "Competent" for several of the requirements within Asset management operations.

### Disposal (Requirement 41)

SSCT has met its target maturity level in this category.

# OUR ETHOS

## DEDICATED

### We are here to serve sport

- I help everyone to have a great experience
- I genuinely care about what I do and helping others
- I want people to be excited and inspired by sport
- I support everyone to be their best

## CURIOUS

### We are curious

- I seek to understand and improve what I do
- I listen so I can help others
- I learn about all areas of our organisation
- I respect and embrace differences

## MOTIVATED

### Be our best

- I am excited about sport
- I give 100% in all I do
- I am accountable for my actions
- I aim to improve everyday

## TEAMWORK

### We succeed as a team

- I respect and value every role in the team
- We work hard and have fun
- We hold each other accountable and speak up
- I support all my teammates

## POSITIVE

### We create our own future

- I make the best decisions for the organisation and others
- I work to always improve what we do
- I plan for the future and act for today
- I make a difference



# DISCLOSURE INDEX

The annual report of SSCT is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of SSCT's compliance with statutory disclosure requirements.

LEGISLATION	REQUIREMENT	PAGE REFERENCE
<b>Ministerial Directions &amp; Financial Reporting Directions</b>		
<b>Report of operations</b>		
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# DECLARATION

The attached financial statements for the State Sport Centres 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 year ended 30 June 2021 and financial position of the Trust at 30 June 2021.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 15 September 2021.



**Ms. Tracey Cooper**

Audit & Risk Committee Chair  
*Responsible Body*

State Sport Centres Trust

Melbourne  
15 September 2021



**Mr. Phil Meggs**

Chief Executive Officer  
*Accountable Officer*

State Sport Centres Trust

Melbourne  
15 September 2021



**Mr. Daniel Speed**

GM Corporate Services  
*Chief Finance & Accounting Officer*

State Sport Centres Trust

Melbourne  
15 September 2021

# Independent Auditor's Report

## To the Members of the State Sport Centres Trust

<b>Opinion</b>	<p>I have audited the financial report of the State Sport Centres Trust (the trust) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2021</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• declaration in the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the trust as at 30 June 2021 and its 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>
<b>Basis for Opinion</b>	<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>
<b>Other information</b>	<p>The Members of the trust are responsible for the other Information, which comprises the information in the trust's report of operations for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the other Information and accordingly, I do not express any form of assurance conclusion on the other Information. However, in connection with my audit of the financial report, my responsibility is to read the other information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the other Information, I am required to report that fact. I have nothing to report in this regard.</p>



<b>Members' responsibilities for the financial report</b>	<p>The Members 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 Members 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 Members 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>
<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> <li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members</li> <li>• conclude on the appropriateness of the Members' 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.</li> </ul>

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<b>Auditor's responsibilities for the audit of the financial report (continued)</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul> <p>I communicate with the Members 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.</p>
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MELBOURNE  
30 September 2021



Simone Bohan  
*as delegate for the Auditor-General of Victoria*

# ANNUAL FINANCIAL STATEMENTS

## Comprehensive Operating Statement For the financial year ended 30 June 2021

	NOTES	2021 \$ '000	2020 \$ '000
<b>INCOME FROM TRANSACTIONS</b>			
Sale of goods and services	2.1	6,839	14,687
Grants	2.2	13,922	18,339
Interest	2.3	5	40
<b>Total income from transactions</b>		<b>20,766</b>	<b>33,066</b>
<b>EXPENSES FROM TRANSACTIONS</b>			
Employee expenses	3.1	10,985	11,727
Depreciation	4.1.2	13,747	13,100
Grant expenses	3.2	204	5,639
Interest expense		-	1
Other operating expenses	3.3	9,871	12,522
<b>Total expenses from transactions</b>		<b>34,807</b>	<b>42,989</b>
<b>Net result from transactions (net operating balance)</b>		<b>(14,041)</b>	<b>(9,923)</b>
<b>OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>			
Impairment of loans and receivables		(55)	(47)
Net gain / (loss) on disposal of non-financial physical assets		4	(401)
Net gain / (loss) arising from revaluation of long service leave liability		(7)	-
<b>Total other economic flows included in net result</b>		<b>(58)</b>	<b>(448)</b>
<b>Net result</b>		<b>(14,099)</b>	<b>(10,371)</b>
<b>OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME</b>			
Changes in physical asset revaluation surplus	4.1.1	259,702	-
<b>Total other economic flows - other comprehensive income</b>		<b>259,702</b>	<b>-</b>
<b>Comprehensive result</b>		<b>245,603</b>	<b>(10,371)</b>

The accompanying notes form part of these financial statements.



## Balance Sheet

### As at 30 June 2021

	NOTES	2021 \$ '000	2020 \$ '000
<b>ASSETS</b>			
<i>Financial assets</i>			
Cash and cash equivalents	5.1	21,759	12,818
Receivables	5.2	552	1,860
<b>Total financial assets</b>		<b>22,311</b>	<b>14,678</b>
<i>Non-financial assets</i>			
Inventories	5.4	173	146
Property, plant and equipment	4.1	685,716	408,417
Other non-financial assets	5.5	110	489
<b>Total non-financial assets</b>		<b>685,999</b>	<b>409,052</b>
<b>Total assets</b>		<b>708,310</b>	<b>423,730</b>
<b>LIABILITIES</b>			
Payables	5.3	3,118	5,955
Borrowings	5.6	332	891
Employee related provisions	6.1	998	887
<b>Total liabilities</b>		<b>4,448</b>	<b>7,733</b>
<b>Net assets</b>		<b>703,862</b>	<b>415,997</b>
<b>EQUITY</b>			
Accumulated deficit		(151,116)	(137,017)
Physical asset revaluation surplus		456,617	196,915
Contributed capital		398,361	356,099
<b>Total equity</b>		<b>703,862</b>	<b>415,997</b>

The accompanying notes form part of these financial statements.

# ANNUAL FINANCIAL STATEMENTS

## Cash Flow Statement For the financial year ended 30 June 2021

	NOTES	2021 \$ '000	2020 \$ '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		9,684	15,574
Receipts from government		15,455	17,796
Interest received		41	47
<b>Total receipts</b>		<b>25,180</b>	<b>33,417</b>
<b>PAYMENTS</b>			
Payments to suppliers and employees		(25,059)	(24,671)
Payments of grant expenses		(1,355)	(4,488)
Net payments of goods and services tax		(189)	(258)
Interest paid		-	(1)
<b>Total payments</b>		<b>(26,603)</b>	<b>(29,418)</b>
<b>Net cash flows from / (used in) operating activities</b>	<b>5.1.1</b>	<b>(1,423)</b>	<b>3,999</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of non-financial assets		(8,918)	(13,065)
Purchases of non-financial assets – SNHC Redevelopment		(14,378)	(33,047)
Purchases of non-financial assets – SBC Redevelopment		(8,048)	-
Sales of non-financial assets		4	(401)
<b>Net cash flows from / (used in) investing activities</b>		<b>(31,340)</b>	<b>(46,513)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of principal portion of lease liabilities		(9)	(27)
Repayment of borrowings		(549)	(1,100)
Owner contributions by State Government – appropriation for capital expenditure purposes		42,262	47,554
<b>Net cash flows from / (used in) financing activities</b>		<b>41,704</b>	<b>46,427</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>8,941</b>	<b>3,913</b>
Cash and cash equivalents at beginning of financial year		12,818	8,905
<b>Cash and cash equivalents at end of financial year</b>	<b>5.1</b>	<b>21,759</b>	<b>12,818</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

### For the financial year ended 30 June 2021

	NOTES	PHYSICAL ASSET REVALUATION SURPLUS \$ '000	ACCUMULATED DEFICIT \$ '000	CONTRIBUTED CAPITAL \$ '000	TOTAL \$ '000
<b>Balance at 1 July 2019</b>		<b>196,915</b>	<b>(126,646)</b>	<b>314,565</b>	<b>384,834</b>
Net result for the year		-	(10,371)	-	(10,371)
Other comprehensive income for the year	4.1.1	-	-	-	-
Contributed capital		-	-	41,534	41,534
<b>Balance at 30 June 2020</b>		<b>196,915</b>	<b>(137,017)</b>	<b>356,099</b>	<b>415,997</b>
Net result for the year		-	(14,099)	-	(14,099)
Other comprehensive income for the year	4.1.1	259,702	-	-	259,702
Contributed capital		-	-	42,262	42,262
<b>Balance at 30 June 2021</b>		<b>456,617</b>	<b>(151,116)</b>	<b>398,361</b>	<b>703,862</b>

The accompanying notes form part of these financial statements.



# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 1. About this report

The State Sport Centres Trust (the Trust) is a government agency of the State of Victoria, established pursuant to an order made by the Premier under the *State Sport Centres (Amendment) Act 2004* No. 70.

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.

Its principal address is:  
State Sport Centres Trust  
Sports House  
375 Albert Road  
Albert Park VIC 3206

### Basis of preparation

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 financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. 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 Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover the State Sport Centres Trust as an individual reporting entity and include all the controlled activities of the Trust.

The following segments have been disclosed in the Trust's financial statements pursuant to section 30 of the *State Sport Centres Act 1994* which requires separate disclosure of financials for the Melbourne Sports and Aquatic Centre and the State Netball and Hockey Centre each year. The operations and activities of each are outlined below:

- Melbourne Sports and Aquatic Centre precinct including Lakeside Stadium (MSAC) – the precinct is a group of sporting facilities including indoor and outdoor 50m competition pools, indoor 25m lap pool, indoor multi purpose pool, hydrotherapy pool, wellness zone including hot yoga, reformer pilates and general yoga rooms, cycle studio, performance gym, swim analysis lab, basketball courts, badminton courts, table tennis, squash, volleyball, international standard athletic running track, designated athletics warm up area, a FIFA-sized natural grass pitch, crèche and food and beverage offerings.
- Melbourne Sports Centres – Parkville (formerly State Netball and Hockey Centre) (SNHC) – hosts netball and hockey primarily whilst also hosting a number of other sporting activities including taekwondo, dodgeball, basketball, volleyball, gymnastics, corporate sports and schools competitions.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

## Compliance information

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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. Our income streams

The Trust's overall objective is to enable sporting organisations and individuals to achieve peak performance, reach their potential and deliver world class events. To enable the Trust to fulfil its objectives, it receives income in the form of grants from the State Government in addition to the income generated by selling goods and delivering services.

As a result of the COVID-19 pandemic, the Trust's revenue streams have been impacted significantly as a result of venue closures and reduced patronage across the financial year. This includes the introduction of a rent relief policy in response to the Victorian Government's COVID-19 Economic Survival Package, which was provided to many tenants, totalling \$264,188 for the financial year (2020: \$131,712). As a result of the reduction in total sales of goods and services, the Victorian Government provided additional funding to support the Trust's cash flows throughout the COVID-19 pandemic.

### 2.1 Sale of goods and services

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Sale of goods	819	5	824	2,430	337	2,767
Rendering of services	5,167	244	5,411	10,232	606	10,838
Rental income	589	15	604	1,055	27	1,082
<b>Total sales of goods and services</b>	<b>6,575</b>	<b>264</b>	<b>6,839</b>	<b>13,717</b>	<b>970</b>	<b>14,687</b>

The sale of goods and services included in the table above are transactions that the Trust has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

### Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The Trust recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

Revenue from the sale of goods are recognised when the goods are provided and have been accepted by the customer.

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

For services rendered, where customers simultaneously receive and consume the services as it is provided, revenue is recognised progressively as contract assets until the customer is subsequently invoiced in accordance with the terms of the service agreement. For other customers that are only able to consume the services when they have been completed, revenue is only recognised upon completion and delivery of the services.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### Rental income

Rental income from leasing of office and retail spaces within the Trust's venues is recognised on a straight-line basis over the lease term.

Operating leases relate to office and retail spaces within the Trust's venues with lease terms between 1 and 40 years, some leases with options to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that the Trust retains in underlying assets are not considered to be significant, the Trust employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Trust when a property has been subject to excess wear and tear during the lease term.

#### 2.1.1 Operating leases as lessor

The Trust leases office and retail spaces within its venues to tenants. The committed future income yet to be realised in relation to these lease agreements are summarised below:

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Receivable not later than one year	260	-	260	387	8	395
Later than one year but not later than five years	617	-	617	587	-	587
Later than five years	1,568	-	1,568	1,860	-	1,860
<b>Total operating leases as lessor</b>	<b>2,445</b>	<b>-</b>	<b>2,445</b>	<b>2,834</b>	<b>8</b>	<b>2,842</b>
Number of tenants	31			33		
Years remaining on leases	1 - 35 years			1 - 36 years		

### 2.2 Grants

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
General purpose grants	13,520	-	13,520	13,587	50	13,637
Specific purpose grants for on-passing	402	-	402	4,702	-	4,702
Other specific purpose	-	-	-	-	-	-
<b>Total grants</b>	<b>13,922</b>	<b>-</b>	<b>13,922</b>	<b>18,289</b>	<b>50</b>	<b>18,339</b>

The Trust has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

General purposes grants are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers. These grants relate to the provision of operating funding. Revenue is recognised when the Trust satisfies the performance obligation by acquitting on the relevant milestones to the Department. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

Income received for specific purpose grants for on-passing is recognised simultaneously as the funds are immediately on passed to the relevant recipient entities on behalf of the Victorian Government.



## 2.3 Interest

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Interest on bank deposits	5	-	5	39	1	40
<b>Total interest</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>39</b>	<b>1</b>	<b>40</b>

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

## 3. Our costs of delivering goods and services

This section provides an account of the expenses incurred by the Trust in delivering services and outputs. 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.

As a result of the COVID-19 pandemic and associated impact on operations, some of the Trust's costs of delivering goods and services were reduced. Some costs remained only slightly below prior years as a result of ongoing high performance and elite sporting activities within venues across the financial year, resulting in ongoing utilities, maintenance and other costs. In addition, many full time and permanent employees received ongoing financial assistance throughout the impacted times.

### 3.1 Employee benefit expenses

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Salaries and wages, annual leave and long service leave	8,872	568	9,440	9,470	521	9,991
Defined contribution superannuation expense	804	41	845	867	40	907
Other employee expenses	687	13	700	799	30	829
<b>Total employee expenses</b>	<b>10,363</b>	<b>622</b>	<b>10,985</b>	<b>11,136</b>	<b>591</b>	<b>11,727</b>

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 3.2 Grant expenses

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Specific purpose grants for on-passing	-	-	-	4,702	-	4,702
Payments for specific purpose	204	-	204	937	-	937
<b>Total grant expenses</b>	<b>204</b>	<b>-</b>	<b>204</b>	<b>5,639</b>	<b>-</b>	<b>5,639</b>

Grant expenses can either relate to the on-passing, to another government body or sporting body, of funding received from another government body (i.e. specific purpose grants for on-passing); or the payment for a particular purpose using specific purpose funding for which conditions were attached to their usage. For specific purpose grants for on-passing, there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grant expenses are recognised in the reporting period in which they are paid or payable. Grants can take the form of money, assets, goods, services or forgiveness of liabilities.

### 3.3 Other operating expenses

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Cleaning and chemicals	1,373	109	1,482	1,619	279	1,898
Car parking	219	-	219	447	13	460
Utilities	1,667	185	1,852	2,025	363	2,388
Cost of goods sold	351	3	354	1,038	153	1,191
Maintenance	1,729	42	1,771	2,209	182	2,391
Information and communications technology	889	39	928	968	45	1,013
Insurance expenses	391	11	402	400	10	410
Sport rebates	517	-	517	641	-	641
Security	196	3	199	308	21	329
Other operating supplies	1,316	831	2,147	1,709	92	1,801
<b>Total other operating expenses</b>	<b>8,648</b>	<b>1,223</b>	<b>9,871</b>	<b>11,364</b>	<b>1,158</b>	<b>12,522</b>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Cost of sales: When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related income is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs.

## 4. Our key assets

The Trust controls infrastructure that is utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Trust to be utilised for delivery of those outputs.

### Significant judgement: Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3.2 in connection with how those fair values were determined.

### 4.1 Property, plant and equipment

	2021 \$ '000			2020 \$ '000		
LAND AT FAIR VALUE	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Gross carrying amount	272,400	89,000	361,400	99,100	36,420	135,520
<b>Net carrying amount</b>	<b>272,400</b>	<b>89,000</b>	<b>361,400</b>	<b>99,100</b>	<b>36,420</b>	<b>135,520</b>
<b>BUILDINGS AT FAIR VALUE</b>						
Gross carrying amount	228,971	30,124	259,095	189,154	33,749	222,903
Accumulated depreciation	(31,437)	(6,121)	(37,558)	(23,525)	(4,591)	(28,116)
<b>Net carrying amount</b>	<b>197,534</b>	<b>24,003</b>	<b>221,537</b>	<b>165,629</b>	<b>29,158</b>	<b>194,787</b>
<b>PLANT AND EQUIPMENT AT FAIR VALUE</b>						
Gross carrying amount	25,542	2,877	28,419	21,380	2,877	24,257
Accumulated depreciation	(15,797)	(2,756)	(18,553)	(14,149)	(2,727)	(16,876)
<b>Net carrying amount</b>	<b>9,745</b>	<b>121</b>	<b>9,866</b>	<b>7,231</b>	<b>150</b>	<b>7,381</b>
<b>LEASEHOLD IMPROVEMENTS AT FAIR VALUE</b>						
Gross carrying amount	42,166	3,544	45,710	37,534	3,649	41,183
Accumulated depreciation	(23,960)	(2,833)	(26,793)	(21,508)	(2,656)	(24,164)
<b>Net carrying amount</b>	<b>18,206</b>	<b>711</b>	<b>18,917</b>	<b>16,026</b>	<b>993</b>	<b>17,019</b>
<b>ASSETS UNDER CONSTRUCTION AT COST</b>						
Gross carrying amount	10,640	63,356	73,996	4,732	48,978	53,710
<b>Net carrying amount</b>	<b>10,640</b>	<b>63,356</b>	<b>73,996</b>	<b>4,732</b>	<b>48,978</b>	<b>53,710</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>						
Gross carrying amount	579,719	188,901	768,620	351,900	125,673	477,573
Accumulated depreciation	(71,194)	(11,710)	(82,904)	(59,182)	(9,974)	(69,156)
<b>Net carrying amount</b>	<b>508,525</b>	<b>177,191</b>	<b>685,716</b>	<b>292,718</b>	<b>115,699</b>	<b>408,417</b>

Notes: (a) All property, plant and equipment held is deemed to held for the purpose of 'public administration'.



# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 4.1(a) total right-of-use assets: plant and equipment

The following table is a subset of plant and equipment by right-of-use assets.

	2021 \$ '000			2020 \$ '000		
PLANT AND EQUIPMENT AT FAIR VALUE	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Gross carrying amount	96	-	96	96	-	96
Accumulated depreciation	(59)	-	(59)	(26)	-	(26)
<b>Net carrying amount</b>	<b>37</b>	<b>-</b>	<b>37</b>	<b>70</b>	<b>-</b>	<b>70</b>

#### Initial recognition

Items of property, plant and equipment, 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 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.

#### Right-of-use asset acquired by lessees – Initial measurement

The Trust recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received, plus
- any initial direct costs incurred, and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

#### Subsequent measurement

Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

#### Right-of-use asset – Subsequent measurement

The Trust depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

#### Specialised land and specialised buildings:

The market approach is used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land

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

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

For the majority of the Trust's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Trust's specialised land and specialised buildings was performed by the Valuer-General Victoria (VGV) during the 2021 financial year. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2021. The CSO allowance for the valuation as at 30 June 2021 is 50% (2017: 70%).

### **Plant and equipment and leasehold improvements:**

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

There were no changes in valuation techniques throughout the period to 30 June 2021.

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

### **Revaluations of property, plant and equipment**

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in Financial Reporting Direction 1031 *Non-Financial Physical Assets* (FRD 1031).

The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by the Trust to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors under the direction of the VGV.

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 1031.

The Trust in conjunction with VGV, monitors changes in the fair value of each asset class through relevant data sources, in order to determine whether a revaluation is required.

The Trust's assets relating to land and buildings were independently valued by the VGV as at 30 June 2021. The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

Refer to Note 7.3 Fair value determination for further information on the revaluation methods used for the asset classes.

### **Accounting for revaluation movements**

Revaluation increases or decreases arise from differences between an asset's carrying value and its fair value.

Revaluation increases and decreases relating to individual assets in a class of PPE, are offset against other assets in that class but are not offset against assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

Revaluation increments are credited directly to the Physical asset revaluation surplus, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in the asset revaluation reserve applicable to the same class of assets, in which case the decrement is debited directly to the asset revaluation reserve.

### **Impairment of property, plant and equipment**

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment

MSAC	LAND AT FAIR VALUE \$ '000	BUILDINGS AT FAIR VALUE \$ '000	PLANT AND EQUIPMENT AT FAIR VALUE \$ '000	LEASEHOLD IMPROVEMENTS AT FAIR VALUE \$ '000	ASSETS UNDER CONSTRUCTION AT COST \$ '000	TOTAL \$ '000
<b>Balance at 1 July 2019</b>	<b>99,100</b>	<b>173,470</b>	<b>5,736</b>	<b>15,790</b>	<b>3,020</b>	<b>297,116</b>
Additions	-	-	2,592	2,643	1,712	6,947
Depreciation	-	(7,841)	(1,097)	(2,407)	-	(11,345)
<b>Balance at 30 June 2020</b>	<b>99,100</b>	<b>165,629</b>	<b>7,231</b>	<b>16,026</b>	<b>4,732</b>	<b>292,718</b>
Additions	-	2,265	2,021	4,632	8,048	16,966
Transfers in / out of assets under construction	-	-	2,140	-	(2,140)	-
Revaluation of PPE recognised in other economic flows - other comprehensive income <sup>(a)</sup>	173,300	37,552	-	-	-	210,852
Depreciation	-	(7,912)	(1,647)	(2,452)	-	(12,011)
<b>Balance at 30 June 2021</b>	<b>272,400</b>	<b>197,534</b>	<b>9,745</b>	<b>18,206</b>	<b>10,640</b>	<b>508,525</b>

Notes: (a) The fair value of Land and Buildings were independently reassessed by the Valuer-General Victoria and Marsh Valuations respectively based on a full revaluation performed as at 30 June 2021.

(b) Assets under construction at cost includes funding paid for the redevelopment of the State Basketball Centre within the Knox Regional Sports Park as outlined in note 8.2 Subsequent Events.



#### 4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment

SNHC	LAND AT FAIR VALUE \$ '000	BUILDINGS AT FAIR VALUE \$ '000	PLANT AND EQUIPMENT AT FAIR VALUE \$ '000	LEASEHOLD IMPROVEMENTS AT FAIR VALUE \$ '000	ASSETS UNDER CONSTRUCTION AT COST \$ '000	TOTAL \$ '000
<b>Balance at 1 July 2019</b>	<b>36,420</b>	<b>30,688</b>	<b>174</b>	<b>1,187</b>	<b>15,926</b>	<b>84,395</b>
Additions	-	-	7	-	33,052	33,059
Depreciation	-	(1,530)	(31)	(194)	-	(1,755)
<b>Balance at 30 June 2020</b>	<b>36,420</b>	<b>29,158</b>	<b>150</b>	<b>993</b>	<b>48,978</b>	<b>115,699</b>
Additions	-	-	-	-	14,378	14,378
Revaluation of PPE recognised in other economic flows - other comprehensive income <sup>(a)</sup>	52,580	(3,625)	-	(105)	-	48,850
Depreciation	-	(1,530)	(29)	(177)	-	(1,736)
<b>Balance at 30 June 2021</b>	<b>89,000</b>	<b>24,003</b>	<b>121</b>	<b>711</b>	<b>63,356</b>	<b>177,191</b>

Notes: (a) The fair value of Land and Buildings were independently reassessed by the Valuer-General Victoria and Marsh Valuations respectively based on a full revaluation performed as at 30 June 2021.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment

SSCT	LAND AT FAIR VALUE \$ '000	BUILDINGS AT FAIR VALUE \$ '000	PLANT AND EQUIPMENT AT FAIR VALUE \$ '000	LEASEHOLD IMPROVEMENTS AT FAIR VALUE \$ '000	ASSETS UNDER CONSTRUCTION AT COST \$ '000	TOTAL \$ '000
<b>Balance at 1 July 2019</b>	<b>135,520</b>	<b>204,158</b>	<b>5,910</b>	<b>16,977</b>	<b>18,946</b>	<b>381,511</b>
Additions	-	-	2,599	2,643	34,764	40,006
Depreciation	-	(9,371)	(1,128)	(2,601)	-	(13,100)
<b>Balance at 30 June 2020</b>	<b>135,520</b>	<b>194,787</b>	<b>7,381</b>	<b>17,019</b>	<b>53,710</b>	<b>408,417</b>
Additions	-	2,265	2,021	4,632	22,426	31,344
Transfers in / out of assets under construction	-	-	2,140	-	(2,140)	-
Revaluation of PPE recognised in other economic flows – other comprehensive income <sup>(b)</sup>	225,880	33,927	-	(105)	-	259,702
Depreciation	-	(9,442)	(1,676)	(2,629)	-	(13,747)
<b>Balance at 30 June 2021</b>	<b>361,400</b>	<b>221,537</b>	<b>9,866</b>	<b>18,917</b>	<b>73,996</b>	<b>685,716</b>

Notes: (a) The fair value of Land and Buildings were independently reassessed by the Valuer-General Victoria and Marsh Valuations respectively based on a full revaluation performed as at 30 June 2021.

(b) Assets under construction at cost includes funding paid for the redevelopment of the State Basketball Centre within the Knox Regional Sports Park as outlined in note 8.2 Subsequent Events.

#### 4.1.2 Depreciation and impairment

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Buildings	7,912	1,530	9,442	7,841	1,530	9,371
Plant and equipment	1,647	29	1,676	1,097	31	1,128
Leasehold improvements	2,452	177	2,629	2,407	194	2,601
<b>Total depreciation</b>	<b>12,011</b>	<b>1,736</b>	<b>13,747</b>	<b>11,345</b>	<b>1,755</b>	<b>13,100</b>

All buildings, plant and equipment, leasehold improvements and other non-financial physical assets that have finite useful lives, are depreciated. The exception to this rule is land.

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. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

ASSET	USEFUL LIFE
Buildings	15 – 60 years
Plant and equipment	5 – 40 years
Office furniture	5 – 15 years
Computer equipment	3 – 5 years
Gym equipment	5 – 10 years
Other equipment	2 – 40 years
Leasehold improvements	5 – 40 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.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Trust obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

In the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made).

#### Impairment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.



# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 4.2 Capital expenditure commitments

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Not later than one year	2,816	-	2,816	4,052	-	4,052
<b>Total capital expenditure commitments</b>	<b>2,816</b>	<b>-</b>	<b>2,816</b>	<b>4,052</b>	<b>-</b>	<b>4,052</b>

The Trust's capital commitments are recorded above at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### 5. Our cash flow and working capital

This section sets out those cash and working capital balances that arose from the Trust's operations. Other sources of finance utilised by the Trust are also covered in this section.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides specific financial instrument disclosures.

#### 5.1 Cash flow information and balances

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Cash at bank	16,557	999	17,556	7,737	217	7,954
Cash on hand	-	-	-	61	-	61
Deposits at call	4,203	-	4,203	4,803	-	4,803
<b>Total cash and cash equivalents</b>	<b>20,760</b>	<b>999</b>	<b>21,759</b>	<b>12,601</b>	<b>217</b>	<b>12,818</b>

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### 5.1.1 Reconciliation of net result for the period to cash flow from operating activities

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
<b>Net result for the period</b>	<b>(10,786)</b>	<b>(3,313)</b>	<b>(14,099)</b>	<b>(7,888)</b>	<b>(2,483)</b>	<b>(10,371)</b>
<b>NON-CASH MOVEMENTS</b>						
Depreciation of property, plant and equipment	12,011	1,736	13,747	11,345	1,755	13,100
Net gain / (loss) on disposal of non-financial physical assets	(4)	-	(4)	401	-	401
Loss arising from revaluation of long service leave liability	7	-	7	-	-	-
<b>MOVEMENTS IN ASSETS AND LIABILITIES</b>						
(Increase) / decrease in receivables	1,309	(1)	1,308	(638)	1,006	368
(Increase) / decrease in inventories	(23)	(4)	(27)	24	8	32
(Increase) / decrease in other assets	378	1	379	15	4	19
Increase / (decrease) in payables	(3,064)	226	(2,838)	1,139	(783)	356
Increase / (decrease) in provisions	38	66	104	121	(27)	94
<b>Net cash flows from operating activities</b>	<b>(134)</b>	<b>(1,289)</b>	<b>(1,423)</b>	<b>4,519</b>	<b>(520)</b>	<b>3,999</b>

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 5.2 Receivables

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
<b>CONTRACTUAL</b>						
Trade debtors	401	12	413	1,538	14	1,552
Provision for doubtful debts	(42)	-	(42)	(53)	-	(53)
Interest receivable	-	-	-	1	-	1
Accrued income	43	6	49	3	3	6
<b>STATUTORY</b>						
GST input tax credit recoverable	132	-	132	354	-	354
<b>Total receivables</b>	<b>534</b>	<b>18</b>	<b>552</b>	<b>1,843</b>	<b>17</b>	<b>1,860</b>
<b>REPRESENTED BY</b>						
<i>Current receivables</i>	534	18	552	1,843	17	1,860
<i>Non-current receivables</i>	-	-	-	-	-	-

*Contractual receivables* are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Trust holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

*Statutory receivables* do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Trust applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Details about the Trust's impairment policies, the Trust's exposure to credit risk, and the calculation of the loss allowance are set out in note 7.1.3.



### 5.3 Payables

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
<b>CONTRACTUAL</b>						
Trade creditors	292	109	401	3,242	-	3,242
Accrued expenses	1,845	193	2,038	2,198	71	2,269
Unearned income	670	9	679	430	14	444
<b>STATUTORY</b>						
GST payable	-	-	-	-	-	-
FBT payable	-	-	-	-	-	-
Other taxes payable	-	-	-	-	-	-
<b>Total payables</b>	<b>2,807</b>	<b>311</b>	<b>3,118</b>	<b>5,870</b>	<b>85</b>	<b>5,955</b>
<b>REPRESENTED BY</b>						
<i>Current payables</i>	<i>2,807</i>	<i>311</i>	<i>3,118</i>	<i>5,870</i>	<i>85</i>	<i>5,955</i>
<i>Non-current payables</i>	-	-	-	-	-	-

Payables consist of:

- *contractual payables*, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid, and
- *statutory payables*, that 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 contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on overdue payments.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### Contract liabilities

	2021 \$ '000
<b>Opening balance brought forward from 30 June 2020</b>	<b>444</b>
Payments received for performance obligations yet to be completed during the period	679
Revenue recognised in the reporting period for the completion of a performance obligation	(444)
<b>Total contract liabilities</b>	<b>679</b>
<b>REPRESENTED BY</b>	
Current contract liabilities	679
Non-current contract liabilities	–

Contract liabilities includes deposits received in advance from customers in respect of facility hire and events. Invoices are raised in the weeks leading up to the event, dependent on specific terms agreed with each hirer. The balance of contract liabilities was higher at 30 June 2021 due to increased activity as at 30 June 2021 as compared to 30 June 2020 as a result of the impacts of COVID-19.

### Maturity analysis of contractual payables<sup>(a)</sup>

	CARRYING AMOUNT \$ '000	NOMINAL AMOUNT \$ '000	NOT PAST DUE AND NOT IMPAIRED \$ '000	MATURITY DATES		
				LESS THAN 1 MONTH \$ '000	1-3 MONTHS \$ '000	3 MONTHS – 1 YEAR \$ '000
<b>2021</b>						
Trade creditors	401	401	387	–	14	–
Accrued expenses	2,038	2,038	2,038	–	–	–
Unearned Income	679	679	679	–	–	–
<b>Total</b>	<b>3,118</b>	<b>3,118</b>	<b>3,104</b>	<b>–</b>	<b>14</b>	<b>–</b>
<b>2020</b>						
Trade creditors	3,242	3,242	3,229	–	–	13
Accrued expenses	2,269	2,269	2,269	–	–	–
Unearned Income	444	444	444	–	–	–
<b>Total</b>	<b>5,955</b>	<b>5,955</b>	<b>5,942</b>	<b>–</b>	<b>–</b>	<b>13</b>

Notes: (a) Maturity analysis is presented using the contractual undiscounted cash flows.

## 5.4 Inventories

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Supplies and consumables at cost	168	5	173	145	1	146
<b>Total inventories</b>	<b>168</b>	<b>5</b>	<b>173</b>	<b>145</b>	<b>1</b>	<b>146</b>

Inventories include property held either for sale, or for consumption in the ordinary course of business operations. Inventories are measured at the lower of cost and net realisable value using the weighted average cost basis. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

## 5.5 Other non-financial assets

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Prepayments	101	5	106	469	6	475
Lease incentives	4	-	4	10	-	10
<b>Total current other assets</b>	<b>105</b>	<b>5</b>	<b>110</b>	<b>479</b>	<b>6</b>	<b>485</b>
Lease incentives	-	-	-	4	-	4
<b>Total non-current other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>
<b>Total other assets</b>	<b>105</b>	<b>5</b>	<b>110</b>	<b>483</b>	<b>6</b>	<b>489</b>

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period. Lease incentives represent contributions to fit out expenses offered to a tenant in consideration for their entry into a lease.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 5.6 Borrowings

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Lease liabilities <sup>(a)</sup>	33	-	33	33	-	33
Advances from government <sup>(b)</sup>	272	-	272	550	-	550
<b>Total current borrowings</b>	<b>305</b>	<b>-</b>	<b>305</b>	<b>583</b>	<b>-</b>	<b>583</b>
Lease liabilities <sup>(a)</sup>	27	-	27	36	-	36
Advances from government <sup>(b)</sup>	-	-	-	272	-	272
<b>Total non-current borrowings</b>	<b>27</b>	<b>-</b>	<b>27</b>	<b>308</b>	<b>-</b>	<b>308</b>
<b>Total borrowings</b>	<b>332</b>	<b>-</b>	<b>332</b>	<b>891</b>	<b>-</b>	<b>891</b>

Notes: (a) Secured by the assets leased. Leases liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(b) These are unsecured loans which bear no interest. The term of the loan was agreed by the Minister at the time the advance was provided.

Borrowings refer to lease liabilities, and the Trust's advances from the State Government in relation to the Greener Government Buildings program. Advances from government are non-interest bearing with annual principal repayments. The balances is expected to be fully repaid in the year ended 30 June 2022.

### Maturity analysis of borrowings

	CARRYING AMOUNT \$ '000	NOMINAL AMOUNT \$ '000	MATURITY DATES			
			LESS THAN 1 YEAR \$ '000	1-2 YEARS \$ '000	2-3 YEARS \$ '000	3+ YEARS \$ '000
<b>2021</b>						
Lease liabilities	60	64	34	30	-	-
Advances from government	272	272	272	-	-	-
<b>Total</b>	<b>332</b>	<b>336</b>	<b>306</b>	<b>30</b>	<b>-</b>	<b>-</b>
<b>2020</b>						
Lease liabilities	69	73	34	15	9	15
Advances from government	822	822	550	272	-	-
<b>Total</b>	<b>891</b>	<b>895</b>	<b>584</b>	<b>287</b>	<b>9</b>	<b>15</b>

### Interest expense

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
Interest on lease liabilities	1	-	1	1	-	1
<b>Total interest expense</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>



## 5.7 Leases

Information about leases for which the Trust is a lessee is presented below.

### *The Trust's leasing activities*

The Trust leases limited equipment. The lease contracts are typically made for fixed periods of 1-5 years.

#### 5.7 (a) Right-of-use Assets

Right-of-use assets are presented in note 4.1(a).

#### 5.7 (b) Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2021 \$ '000	2020 \$ '000
Interest expense of lease liabilities	1	1
<b>Total amount recognised in the Comprehensive Operating Statement</b>	<b>1</b>	<b>1</b>

#### 5.7 (c) Amounts recognised in the Cashflow Statement

The following amounts are recognised in the Cashflow Statement for the year ending 30 June 2021 relating to leases.

	2021 \$ '000	2020 \$ '000
<b>Total cash outflows for leases</b>	<b>9</b>	<b>27</b>

#### 5.7 (d) Minimum future lease payments

		Minimum future lease payments		Present value of minimum future lease payments	
	NOTES	2021	2020	2021	2020
Not longer than 1 year		34	34	33	31
Longer than 1 year but not longer than 5 years		30	39	27	38
Longer than 5 years		-	-	-	-
<b>Minimum future lease payments</b>		<b>64</b>	<b>73</b>	<b>60</b>	<b>69</b>
Less future finance charges		(4)	(3)	-	-
<b>Present value of minimum lease payments</b>		<b>60</b>	<b>70</b>	<b>60</b>	<b>69</b>
<b>Included in the financial statements as:</b>					
Current borrowings lease liabilities	7.1.1	-	-	34	34
Non-current borrowings lease liabilities	7.1.1	-	-	30	39
<b>Total</b>		<b>-</b>	<b>-</b>	<b>60</b>	<b>69</b>

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

For any new contracts entered into on or after 1 July 2019, the Trust considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Trust assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Trust and for which the supplier does not have substantive substitution rights
- whether the Trust has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the trust has the right to direct the use of the identified asset throughout the period of use, and
- whether the Trust has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

### **Separation of lease and non-lease components**

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

### **Recognition and measurement of leases as a lessee**

#### ***Lease Liability – initial measurement***

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Trusts incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee, and
- payments arising from purchase and termination options reasonably certain to be exercised.

#### ***Lease Liability – subsequent measurement***

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

#### ***Short-term leases and leases of low-value assets***

The Trust has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### ***Presentation of right-of-use assets and lease liabilities***

The Trust presents right-of-use assets as property, plant and equipment unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

## 6. Our people

The Trust employs and remunerates a wide range of individuals. This section sets out the employee benefits disclosed on both the comprehensive operating statement and balance sheet, as well as other disclosures relating to related party transactions.

### 6.1 Employee benefits on the balance sheet

	2021 \$ '000			2020 \$ '000		
	MSAC	SNHC	SSCT	MSAC	SNHC	SSCT
<b>CURRENT PROVISIONS</b>						
<b>Annual leave</b>						
Unconditional and expected to settle within 12 months	448	48	496	398	15	413
Unconditional and expected to settle after 12 months	83	9	92	67	2	69
<b>Long service leave</b>						
Unconditional and expected to settle within 12 months	14	5	19	187	3	190
Unconditional and expected to settle after 12 months	164	17	181	-	9	9
<b>Provision for on-costs</b>						
Unconditional and expected to settle within 12 months	73	9	82	95	3	98
Unconditional and expected to settle after 12 months	41	4	45	11	2	13
<b>Total current provisions for employee benefits</b>	<b>823</b>	<b>92</b>	<b>915</b>	<b>758</b>	<b>34</b>	<b>792</b>
<b>NON-CURRENT PROVISIONS</b>						
Long service leave	65	7	72	82	-	82
On-costs	10	1	11	13	-	13
<b>Total non-current provisions for employee benefits</b>	<b>75</b>	<b>8</b>	<b>83</b>	<b>95</b>	<b>-</b>	<b>95</b>
<b>Total provisions for employee benefits</b>	<b>898</b>	<b>100</b>	<b>998</b>	<b>853</b>	<b>34</b>	<b>887</b>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### Reconciliation of movement in on-cost provision

	2021 \$ '000	2020 \$ '000
<b>OPENING BALANCE</b>	<b>124</b>	<b>110</b>
Opening balance	14	14
Additional provisions recognised	-	-
Reductions arising from payments/other sacrifices of future economic benefits	-	-
<b>Total on-cost provision</b>	<b>138</b>	<b>124</b>
<b>CLOSING BALANCE</b>	<b>-</b>	<b>-</b>
<i>Represented by:</i>		
<i>Current provisions for employee benefits</i>	<i>127</i>	<i>111</i>
<i>Non-current provisions for employee benefits</i>	<i>11</i>	<i>13</i>

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision 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. As the Trust expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

*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.

*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:

- Undiscounted value – if the Trust expects to wholly settle within 12 months, or
- Present value – if the Trust does not expect to wholly settle within 12 months.

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

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.



## 6.2 Superannuation contributions

	PAID CONTRIBUTION FOR THE YEAR \$ '000		CONTRIBUTION OUTSTANDING AT YEAR END \$ '000		TOTAL \$ '000	
	2021	2020	2021	2020	2021	2020
<b>DEFINED CONTRIBUTION PLANS</b>						
VicSuper	379	407	-	-	379	407
Other	466	499	-	-	466	499
<b>Total superannuation contributions</b>	<b>845</b>	<b>906</b>	<b>-</b>	<b>-</b>	<b>845</b>	<b>906</b>

Employees of the Trust are entitled to receive superannuation benefits, with the Trust contributing to defined contribution plans. Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Trust.

## 6.3 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

### Names

The persons who held the positions of Minister, Trust Member and Accountable Officer at any time during the reporting period were as follows:

	Name	Period
<b>Responsible Minister:</b>		
Minister for Tourism, Sport and Major Events	The Hon. Martin Pakula MP	1 July 2020 to 30 June 2021
Minister for Community Sport	The Hon. Ros Spence MP	1 July 2020 to 30 June 2021
<b>Trust Members:</b>		
Trust Chairperson	Mr. Brett Moore	1 July 2020 to 31 August 2020
Trust Chairperson	Mr. Christopher Jackson	1 September 2020 to 30 June 2021
Trust Member	Mr. Christopher Jackson	1 July 2020 to 31 August 2020
Trust Member	Ms. Tracey Cooper	1 July 2020 to 30 June 2021
Trust Member	Mr. Jack Diamond	1 July 2020 to 30 June 2021
Trust Member	Ms. Emma Race	1 July 2020 to 30 June 2021
Trust Member	Ms. Danni Roche	1 July 2020 to 30 June 2021
Trust Member	Mr. Michael Ronaldson	1 September 2020 to 30 June 2021
Trust Member	Ms. Patsy Toop	1 July 2020 to 25 April 2021
<b>Accountable Officer:</b>		
Chief Executive Officer	Mr. Phil Meggs	1 July 2020 to 30 June 2021

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Trust during the reporting period was in the range: \$300,000 - \$309,999 (\$290,000-\$300,000 in 2019-20).

	2021	2020
\$0 - \$9,999	4	1
\$10,000 - \$19,999	3	5
\$20,000 - \$29,999	1	1
\$290,000 - \$299,999	-	1
\$300,000 - \$309,999	1	-
<b>Total responsible persons</b>	<b>9</b>	<b>8</b>

### 6.4 Remuneration of executives

The number of executives, other than the Ministers and the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

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

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

*Post-employment benefits* include superannuation contributions, 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.

	2021 \$ '000	2020 \$ '000
Short-term employee benefits	544	471
Post-employment benefits	51	46
Other long-term benefits	-	-
Termination benefits	-	29
<b>Total remuneration</b>	<b>595</b>	<b>546</b>
Total number of executives	3	3
<b>Total annualised employee equivalents</b>	<b>3</b>	<b>2.98</b>

Notes: (a) Annualised employee equivalents is based on the time fraction worked over the reporting period.

## 6.5 Related parties

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

Relates parties of the Trust include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members, and
- all departments and public sector entities that are controlled and consolidated into the whole of State consolidated financial statements.

### Significant transactions with government-related entities

The Trust received funding from the Department of Jobs, Precincts and Regions of \$54,618,902 (2019-20 \$58,722,344).

The Trust paid funding to Development Victoria of \$21,671,496 (2019-20: \$36,598,364).

The Trust also has deposits at call with the Treasury Corporation of Victoria. The balance of the deposit as at 30 June 2021 is \$4,202,708 (2019-20: \$4,802,707).

The Trust provides office space and facilities to the Victorian Institute of Sport at Lakeside Stadium at no cost.

## Remuneration of key management personnel

Key management personnel of the agency includes the Portfolio Ministers, The Hon. Martin Pakula MP and The Hon. Ross Spence MP; the Accountable Officer, Phil Meggs; and members of the Trust.

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.

	2021 \$ '000	2020 \$ '000
Short-term employee benefits	366	355
Post-employment benefits	35	33
Other long-term benefits	-	-
<b>Total remuneration</b>	<b>401</b>	<b>388</b>

Notes: (a) Note that some KMPs may also be reported in the disclosure of remuneration of Executives.

## Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public (e.g. stamp duty and other government fees and charges). Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Trust, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 7. Our 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 instruments 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 (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

##### *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 interests.

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 liabilities*

**Financial assets and liabilities at fair value through net result** are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have

their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in the Trust's own credit risk. In this case, the portion of the change attributable to changes in the Trust's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

**Financial liabilities at amortised cost** 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. The Trust recognises the following liabilities in this category:

- payables (excluding statutory payables), and
- borrowings (including lease liabilities).



**Offsetting financial instruments:**

Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Trust concerned has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the Trust does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

**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, or
- the Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or

- the Trust has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Trust has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Trust's continuing involvement in the asset.

**Derecognition of financial**

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

**Reclassification of financial instruments:**

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Trust's business model for managing its financial assets has changed such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 7.1.1 Financial instruments – categorisation

2021	CASH AND DEPOSITS \$ '000	FINANCIAL ASSETS AT AMORTISED COST \$ '000	FINANCIAL LIABILITIES AT AMORTISED COST \$ '000	TOTAL \$ '000
<b>CONTRACTUAL FINANCIAL ASSETS</b>				
Cash and cash equivalents	21,759	-	-	21,759
<b>Receivables<sup>(a)</sup></b>				
Trade debtors	-	371	-	371
Loans receivable	-	-	-	-
Interest receivable	-	-	-	-
Accrued income	-	49	-	49
<b>Total contractual financial assets</b>	<b>21,759</b>	<b>420</b>	<b>-</b>	<b>22,179</b>
<b>CONTRACTUAL FINANCIAL LIABILITIES</b>				
<b>Payables<sup>(a)</sup></b>				
Trade creditors	-	-	401	401
Accrued expenses	-	-	2,038	2,038
Unearned income	-	-	679	679
<b>Borrowings</b>				
Finances leases	-	-	60	60
Advances from government	-	-	272	272
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>3,450</b>	<b>3,450</b>

Notes: (a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian government and GST input tax credit recoverable and taxes payable).

2020	CASH AND DEPOSITS \$ '000	FINANCIAL ASSETS AT AMORTISED COST \$ '000	FINANCIAL LIABILITIES AT AMORTISED COST \$ '000	TOTAL \$ '000
<b>CONTRACTUAL FINANCIAL ASSETS</b>				
Cash and cash equivalents	12,818		-	12,818
<b>Receivables<sup>(a)</sup></b>				
Trade debtors	-	1,499	-	1,499
Loans receivable	-	-	-	-
Interest receivable	-	1	-	1
Accrued income	-	6	-	6
<b>Total contractual financial assets</b>	<b>12,818</b>	<b>1,506</b>	<b>-</b>	<b>14,324</b>
<b>CONTRACTUAL FINANCIAL LIABILITIES</b>				
<b>Payables<sup>(a)</sup></b>				
Trade creditors	-	-	3,242	3,242
Accrued expenses	-	-	2,269	2,269
Unearned income	-	-	444	444
<b>Borrowings</b>				
Financial leases	-	-	70	70
Advances from government	-	-	822	822
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>6,846</b>	<b>6,846</b>

Notes: (a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian government and GST input tax credit recoverable and taxes payable).

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 7.1.2 Financial instruments – net holding gain/(loss) on financial instruments by category

2021	TOTAL INTEREST INCOME / (EXPENSE) \$ '000	IMPAIRMENT LOSS \$ '000	TOTAL \$ '000
<b>CONTRACTUAL FINANCIAL ASSETS</b>			
Financial assets – loans and receivables	5	(55)	(50)
<b>Total contractual financial assets</b>	<b>5</b>	<b>(55)</b>	<b>(50)</b>
<b>CONTRACTUAL FINANCIAL LIABILITIES</b>			
Financial liabilities at amortised cost	-	-	-
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
2020	TOTAL INTEREST INCOME / (EXPENSE) \$ '000	IMPAIRMENT LOSS \$ '000	TOTAL \$ '000
<b>CONTRACTUAL FINANCIAL ASSETS</b>			
Financial assets – loans and receivables	40	(47)	(7)
<b>Total contractual financial assets</b>	<b>40</b>	<b>(47)</b>	<b>(7)</b>
<b>CONTRACTUAL FINANCIAL LIABILITIES</b>			
Financial liabilities at amortised cost	(1)	-	(1)
<b>Total contractual financial liabilities</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>

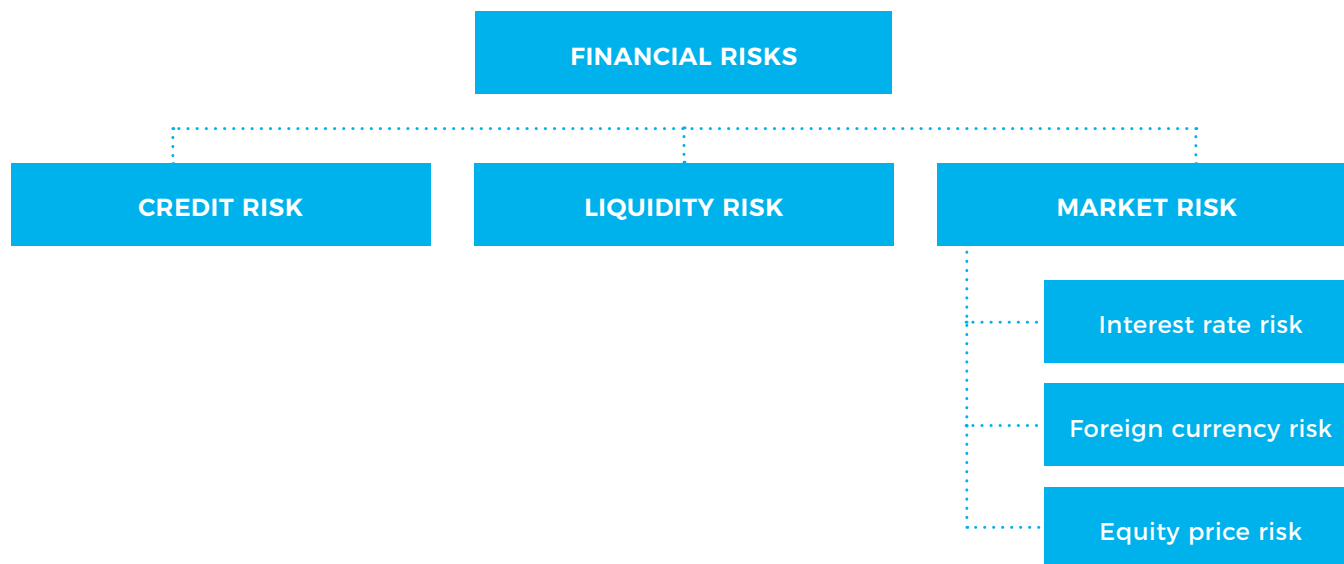
There were no net holding gains/(losses); fee income/(expenses) or impairment losses on any financial instruments held. As such, these have not been disclosed.

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, financial assets at amortised cost and debt instruments that are classified as financial assets at fair value through other comprehensive income, 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.



### 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.

The Trust uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

#### Financial instruments – credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. 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.

Credit risk associated with the Trust's contractual financial assets is minimal because the main debtor is the Victorian Government.

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 on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the Trust's policy is to only deal with banks with high credit ratings.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

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 that 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 change to the Trust's credit risk profile in 2020/21.

### Credit quality of financial assets

2021	FINANCIAL INSTITUTIONS (TRIPLE-A CREDIT RATING) \$ '000	GOVERNMENT AGENCIES (TRIPLE-A CREDIT RATING) \$ '000	OTHER (NO RATING) \$ '000	TOTAL \$ '000
<b>FINANCIAL ASSETS</b>				
<b>Financial assets with loss allowance measured at 12-month expected credit loss</b>				
Cash and deposits (not assessed for impairment due to materiality)	17,556	4,203	-	21,759
Statutory receivables (with no impairment loss recognised)	-	-	371	371
<b>Total financial assets</b>	<b>17,556</b>	<b>4,203</b>	<b>371</b>	<b>22,130</b>

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

2020	FINANCIAL INSTITUTIONS (TRIPLE-A CREDIT RATING) \$ '000	GOVERNMENT AGENCIES (TRIPLE-A CREDIT RATING) \$ '000	OTHER (NO RATING) \$ '000	TOTAL \$ '000
<b>FINANCIAL ASSETS</b>				
Cash and deposits	7,954	4,803	61	12,818
Contractual Receivables	1	1,151	348	1,500
<b>Total financial assets</b>	<b>7,955</b>	<b>5,954</b>	<b>409</b>	<b>14,318</b>

Notes: (a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian government and GST input tax credit recoverable and taxes payable).

## Impairment of financial assets under AASB 9

The Trust records the allowance for expected credit loss for the relevant financial instruments, applying the AASB 9 Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Trust's contractual receivables and statutory receivables.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

### 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 select 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 end of the financial year as follows:

30 JUNE 2021	CURRENT	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1 - 5 YEARS	TOTAL
<b>EXPECTED LOSS RATE</b>	0%	0%	0%	42%	0%	
Gross carrying amount of contractual receivables	192	151	18	101	-	462
<b>Loss allowance</b>	-	-	-	(42)	-	(42)

30 JUNE 2020	CURRENT	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1 - 5 YEARS	TOTAL
<b>EXPECTED LOSS RATE</b>	0%	0%	0%	17%	0%	
Gross carrying amount of contractual receivables	1,220	22	12	305	-	1,559
<b>Loss allowance</b>	-	-	-	(53)	-	(53)

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	2021	2020
<b>Balance at the beginning of the year</b>	(53)	(6)
Increase in provision recognised in the net result	-	(49)
Reversal of unused provision in the net result	11	2
<b>Balance at end of the year</b>	(42)	(53)

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.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### Statutory receivables at amortised cost

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.

The statutory receivables 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.

### Financial instruments – liquidity risk

Liquidity risk arises from being unable to meet financial obligations as 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 is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The Trust manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets
- careful maturity planning of its financial obligations based on forecasts of future cash flows, and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's triple-A, which assists in accessing debt market at a lower interest rate).

The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

### Financial instruments – market risk

The Trust's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage this risk is disclosed below.

#### Sensitivity disclosure analysis and assumptions:

The Trust's sensitivity to interest rate risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up and down (FY20: 100 basis points up and down) in market interest rates (AUD).

The tables that follow show the impact on the Trust's net result and equity for each category of financial instrument held by the Trust at the end of the reporting period, if the above movements were to occur.

#### 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 cash and cash equivalents that are at floating rate.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Trust's sensitivity to interest rate risk are set out in the table that follows.



## Interest rate exposure of financial instruments

2021	WEIGHTED AVERAGE INTEREST RATE (%)	CARRYING AMOUNT \$ '000	VARIABLE INTEREST RATE \$ '000	NON-INTEREST BEARING \$ '000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	0.01%	21,759	21,754	5
<b>Receivables</b>				
Trade debtors	N/A	371	-	371
Loans receivable	N/A	-	-	-
Interest receivable	N/A	-	-	-
Accrued income	N/A	49	-	49
<b>Total financial assets</b>		<b>22,179</b>	<b>21,754</b>	<b>425</b>
<b>Payables</b>				
Trade creditors	N/A	401	-	401
Accrued expenses	N/A	2,038	-	2,038
<b>Borrowings</b>				
Lease Liabilities	3.49%	60	60	-
Advances from government	N/A	272	-	272
<b>Total financial liabilities</b>		<b>2,771</b>	<b>60</b>	<b>2,711</b>

Notes: (a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian government and GST input tax credit recoverable and taxes payable).

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

2020	WEIGHTED AVERAGE INTEREST RATE (%)	CARRYING AMOUNT \$ '000	VARIABLE INTEREST RATE \$ '000	NON-INTEREST BEARING \$ '000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	0.39%	12,818	12,759	58
<b>Receivables</b>				
Trade debtors	N/A	1,499	-	1,499
Loans receivable	N/A	-	-	-
Interest receivable	N/A	1	-	1
Accrued income	N/A	6	-	6
<b>Total financial assets</b>		<b>14,324</b>	<b>12,759</b>	<b>1,564</b>
<b>Payables</b>				
Trade creditors	N/A	3,242	-	3,242
Accrued expenses	N/A	2,269	-	2,269
<b>Borrowings</b>				
Lease Liabilities	3.46%	69	69	-
Advances from government	N/A	822	-	822
<b>Total financial liabilities</b>		<b>6,402</b>	<b>69</b>	<b>6,333</b>

Notes: (a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian government and GST input tax credit recoverable and taxes payable).

### Interest rate risk sensitivity

	NET RESULT		
	CARRYING AMOUNT	-100 BASIS POINTS	+100 BASIS POINTS
<b>2021</b>			
Cash and cash equivalents	21,754	(2)	2
<b>Total impact</b>	<b>21,754</b>	<b>(2)</b>	<b>2</b>
<b>2020</b>			
Cash and cash equivalents	12,759	(49)	49
<b>Total impact</b>	<b>12,759</b>	<b>(49)</b>	<b>49</b>

### Foreign currency risk:

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies, are translated to the functional currency at the rates prevailing at the date when the fair value was determined.

The Trust is exposed to foreign currency risk mainly through its payables relating to purchases of supplies and consumables from overseas. The Trust has a limited amount of transactions denominated in foreign currencies and there is a relatively short timeframe between commitment and settlement, therefore risk is minimal.

## 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and 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.

As at 30 June 2021, the Trust does not hold any contingent assets (2020: nil).

### 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.

As at 30 June 2021, the Trust does not hold any contingent liabilities (2020: nil).

## 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 Trust.

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:

- land, buildings, 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.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

### 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.

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 Trust, in conjunction with the Valuer-General Victoria (VGV) and other external valuers, 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 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

### 7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial 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 2020/21 reporting period.



These financial instruments include:

FINANCIAL ASSETS	FINANCIAL LIABILITIES
Cash and cash equivalents	<b>Payables</b>
<b>Receivables</b>	<ul style="list-style-type: none"> <li>• Trade creditors</li> <li>• Accrued expenses</li> <li>• Unearned income</li> </ul>
<ul style="list-style-type: none"> <li>• Trade debtors</li> <li>• Loans receivable</li> <li>• Interest receivable</li> <li>• Accrued income</li> </ul>	<b>Borrowings</b>
	<ul style="list-style-type: none"> <li>• Advances from government</li> <li>• Lease liabilities</li> </ul>

As the fair value of the financial instruments is equal to the carrying amounts, no additional information has been included as there are no differences.

### 7.3.2 Fair value determination of non-financial physical assets

	CARRYING AMOUNT '000	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING		
		LEVEL 1 '000	LEVEL 2 '000	LEVEL 3 '000
<b>2021</b>				
Specialised land	361,400	-	-	361,400
Specialised buildings	221,537	-	-	221,537
Plant and equipment	9,866	-	-	9,866
Leasehold improvements	18,917	-	-	18,917
<b>Total non-financial physical assets at fair value</b>	<b>611,720</b>	<b>-</b>	<b>-</b>	<b>611,720</b>
<b>2020</b>				
Specialised land	135,520	-	-	135,520
Specialised buildings	194,787	-	-	194,787
Plant and equipment	7,381	-	-	7,381
Leasehold improvements	17,019	-	-	17,019
<b>Total non-financial physical assets at fair value</b>	<b>354,707</b>	<b>-</b>	<b>-</b>	<b>354,707</b>

Notes: (a) Classified in accordance with the fair value hierarchy.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the financial statements for the financial year ended 30 June 2021

There have been no transfers between levels during the period. Refer to Note 4.1 for information on fair value determination of property, plant and equipment.

### Reconciliation of Level 3 fair value movements

	SPECIALISED LAND \$ '000	SPECIALISED BUILDINGS \$ '000	PLANT AND EQUIPMENT \$ '000	LEASEHOLD IMPROVEMENTS \$ '000	TOTAL \$ '000
<b>Balance at 1 July 2019</b>	<b>135,520</b>	<b>204,158</b>	<b>5,910</b>	<b>16,977</b>	<b>362,565</b>
Purchases / (sales)	-	-	2,599	2,643	5,242
<b>GAINS OR LOSSES RECOGNISED IN NET RESULT</b>					
Depreciation	-	(9,371)	(1,128)	(2,601)	(13,100)
Revaluation	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>(9,371)</b>	<b>(1,128)</b>	<b>(2,601)</b>	<b>(13,100)</b>
<b>GAINS OR LOSSES RECOGNISED IN OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME</b>					
Revaluation	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June 2020</b>	<b>135,520</b>	<b>194,787</b>	<b>7,381</b>	<b>17,019</b>	<b>354,707</b>
Purchases / (sales)	-	2,265	4,161	4,632	11,058
<b>GAINS OR LOSSES RECOGNISED IN NET RESULT</b>					
Depreciation	-	(9,442)	(1,676)	(2,629)	(13,747)
Revaluation	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>(9,442)</b>	<b>(1,676)</b>	<b>(2,629)</b>	<b>(13,747)</b>
<b>GAINS OR LOSSES RECOGNISED IN OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME</b>					
Revaluation	225,880	33,927	-	(105)	259,702
<b>Sub-total</b>	<b>225,880</b>	<b>33,927</b>	<b>-</b>	<b>(105)</b>	<b>259,702</b>
<b>Balance at 30 June 2021</b>	<b>361,400</b>	<b>221,537</b>	<b>9,866</b>	<b>18,917</b>	<b>611,720</b>

### Description of significant unobservable inputs to Level 3 valuations

2021 AND 2020	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS
<b>Specialised land</b>	Market approach	Community service obligation (CSO) adjustment	An increase/(decrease) in the CSO adjustment would result in a lower/(higher) fair value.
<b>Specialised buildings</b>	Current replacement cost	Direct cost per square metre	An increase/(decrease) in direct cost per square metre would result in a higher/(lower) fair value.
		Useful life	An increase/(decrease) in useful life would result in a lower/(higher) fair value.
<b>Plant and equipment and leasehold improvements</b>	Current replacement cost	Purchase price	An increase/(decrease) in purchase price would result in a higher/(lower) fair value.
		Useful life	An increase/(decrease) in useful life would result in a lower/(higher) fair value.

## 8. Other disclosures

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

### 8.1 Remuneration of auditors

	2021 \$ '000	2020 \$ '000
<b>VICTORIAN AUDITOR-GENERAL'S OFFICE</b>		
Audit or review of the financial statements	43	43
<b>Total remuneration of auditors</b>	<b>43</b>	<b>43</b>

### 8.2 Subsequent events

The Trust has received a letter at year end from the Minister for Sport, the Hon Martin Pakula, outlining that as part of the redevelopment of the State Basketball Centre within Knox Regional Sports Park, the Trust will ultimately assume land management responsibilities for the Knox Regional Sports Park and ownership of the redeveloped State Basketball Centre. This is consistent with functions of the Trust under the State Sport Centres Act 1994 (Act) including to provide for "the planning, development, management, promotion, operation and use of other sports, recreation and entertainment facilities and services in Victoria" beyond those explicitly identified in the Act. As such, pursuant to section 6B of the Act, the Trust will commence carrying out its functions and exercising its powers with respect to Knox Regional Sports Park at a date yet to be determined in the 30 June 2022 financial year.

In addition, the COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Trust at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Trust, its operations, its future results and financial position.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Trust, the results of the operations or the state of affairs of the Trust in the future financial years.

### 8.3 Other accounting policies

#### 8.3.1 Accounting for goods and services taxes

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

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

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

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## Notes to the financial statements for the financial year ended 30 June 2021

### 8.3.2 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 that 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.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

### 8.4 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 reporting period. These accounting standards have not been applied to the Financial Statements. The Trust is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*.

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The Trust will not early adopt the Standard.

The Trust is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Trust's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (Appendix C).
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.

- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*.
- AASB 2020-7 *Amendments to Australian Accounting Standards – COVID-19-Rent Related Concessions: Tier 2 Disclosures*.
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*.
- AASB 2020-9 *Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*.