

2020-21

ANNUAL REPORT



MELBOURNE  OLYMPIC PARKS

ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

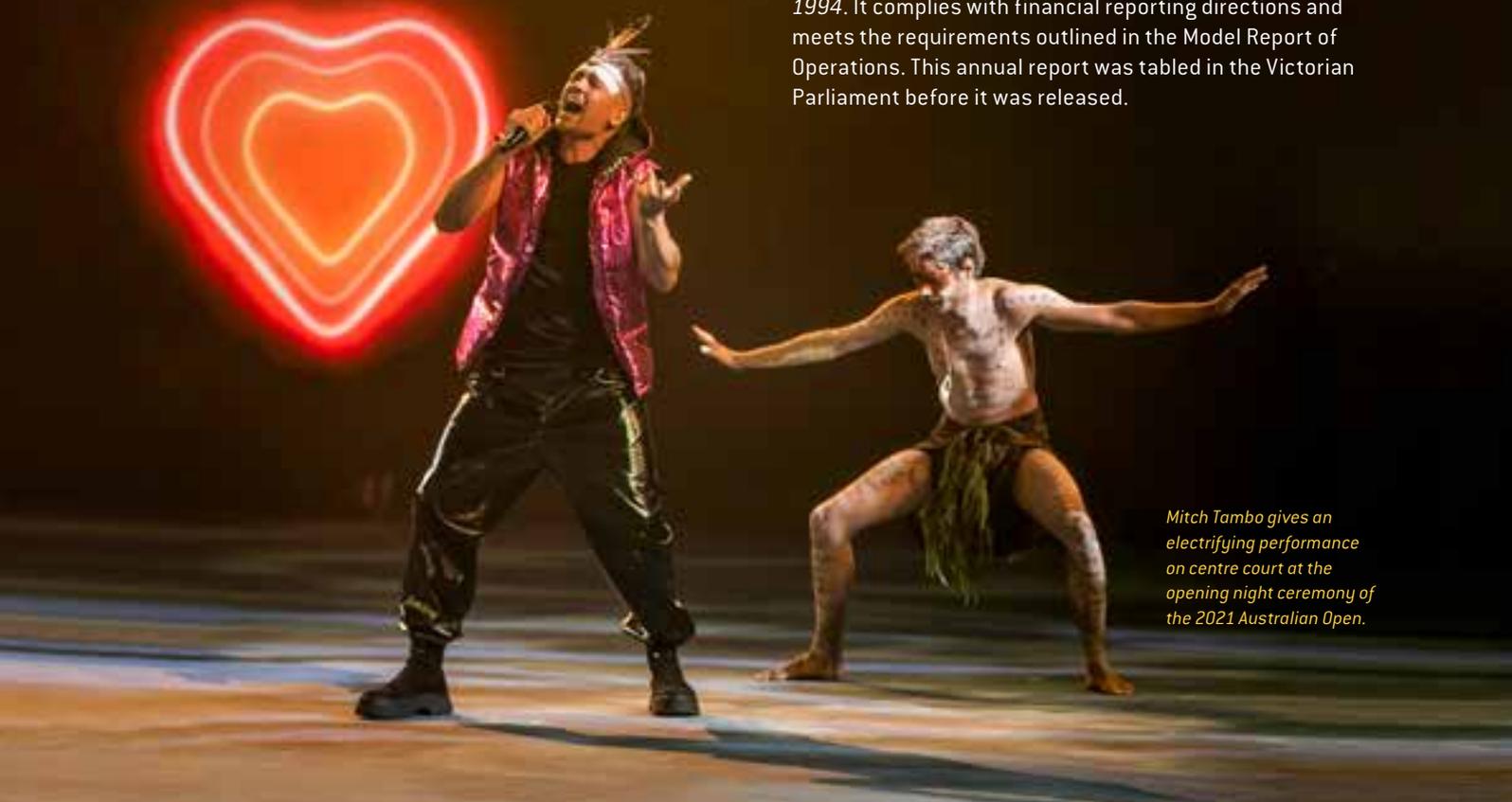
We acknowledge the Wurundjeri People of the Kulin Nation as Traditional Owners of the land of the Melbourne & Olympic Parks precinct, and recognise their ongoing connection to this land and rich culture. We pay our respects to their Elders past, present and future.

FRONT COVER IMAGE

The front cover depicts a westerly view over part of the Melbourne & Olympic Parks precinct during the 2021 Australian Open. John Cain Arena (right) and Olympic Park Oval (left) are in the foreground. Rod Laver Arena (front) and Margaret Court Arena (behind) are in the centre of the frame. Heading west, the Yarra River, Tanderrum Bridge and Batman Avenue connect the precinct to Melbourne's CBD.

ABOUT THIS REPORT

The *Melbourne & Olympic Parks Annual Report 2020–21* provides information about the Trust's governance, objectives, functions, performance and achievements. It highlights the organisation's work throughout the year and includes information about financial operations, infrastructure and planning, management, operations, sector leadership, stakeholder engagement and workforce. The Trust is providing this annual report for the financial year ended 30 June 2021 in line with its statutory obligations under the *Financial Management Act 1994*. It complies with financial reporting directions and meets the requirements outlined in the Model Report of Operations. This annual report was tabled in the Victorian Parliament before it was released.



Mitch Tambo gives an electrifying performance on centre court at the opening night ceremony of the 2021 Australian Open.

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CHAIR'S FOREWORD

The Melbourne & Olympic Parks precinct plays an important part in Victoria's sporting and entertainment culture. A place where lifetimes of shared memories are made by striving for the best possible experience for every person, every event, every time.

I am pleased to present the 2020–21 annual report for the Melbourne and Olympic Parks Trust (the Trust). This report includes a summary of the organisation's operations and audited financial statements for the year ending 30 June 2021, in accordance with the *Financial Management Act 1994*.

As the COVID-19 global pandemic extended into this financial year, Melbourne & Olympic Parks (M&OP) continued to work on behalf of the Victorian Government to manage the precinct, respond to emerging conditions, and – when it was safe to do so – deliver a range of COVIDSafe events for the benefit of all Victorians.

Maintaining a close relationship with key partners, including Sport and Recreation Victoria, Tennis Australia and the precinct's professional sporting clubs and hirers, has been integral in achieving this, and will be crucial as Victoria emerges from the pandemic.

A YEAR OF TWO HALVES

From July to November 2020, a range of public health directions applied to residents and businesses in metropolitan Melbourne and regional Victoria, including stay-at-home orders and the suspension of live events.

Working with the Victorian Government, M&OP responded to these challenging circumstances by providing significant operational, financial and in-kind support to its staff, partners, tenants and hirers, and to Victoria's events and entertainment sector more broadly.

During this period, most M&OP staff worked from home, with only a small team onsite to support essential services. M&OP staff undertook a range of strategic projects to improve business functions and processes, and to prepare for the return of live events to the precinct. This period also saw the rollout of new branding for John Cain Arena, completing a process that commenced in the previous reporting period with the renaming of the venue in honour of the late Honourable John Cain, former Premier of Victoria.

As COVID-19 case numbers fell in late 2020, and the state progressed along the Victorian Government's Roadmap

to Reopening, M&OP worked closely with government stakeholders, partners, tenants, promoters and artists to plan the safe reactivation of events across the precinct. More than 54,000 masks were distributed, 650 QR code check-in points were established, and nearly 550 hand sanitiser stations were installed. Strict COVIDSafe Plans were implemented across all M&OP venues.

The second half of the year proved to be a much busier period. In close collaboration with Tennis Australia and the COVID-19 Quarantine Victoria (CQV) program, M&OP successfully supported the staging of the 2021 Australian Open in challenging conditions. A hybrid working model was also introduced, allowing M&OP staff who had been working from home to reconnect with colleagues onsite.

Despite the ongoing challenges of the pandemic, M&OP exceeded its financial performance targets, and 145 events were delivered across the precinct's venues.

THE SHOW MUST GO ON

While there were many disruptions to the 2020–21 events calendar, there were also many highlights. Following a successful Australian Open, sports returned to the precinct with A-League and W-League matches, NRL and Super Rugby fixtures, the NBL Cup and Super Netball competitions all taking place with COVIDSafe Plans, density limits, and strict health and safety measures in place.

Live entertainment events were significantly impacted by COVID-19, with 14 performances on precinct compared to 124 in the last non-COVID year (2018–19). However, this also offered an opportunity to innovate, and in a first for M&OP, the versatile Margaret Court Arena was transformed to host *Summertime at the Ballet*.

The organisation continued to actively foster and benefit from strong relationships with partners and precinct tenants and it was pleasing to witness the success of tenants and hirers this year. Premiership victories were achieved by Melbourne Storm, Melbourne Vixens, Melbourne City A-League, Melbourne Victory W-League, and Melbourne United.

It was only fitting that the first live music event in May was the memorial for Michael Gudinski AM at Rod Laver Arena. Following on from this and closing out the year, prior to strict public health measures being reintroduced, The Wiggles performed six shows and PAW Patrol Live played four. These performances proved a hit with families, with nearly 47,000 attendees. The trust that parents placed in M&OP was a vote of confidence in the health and safety measures put in place, and it was a great privilege to help bring joy to the young and young at heart during the pandemic.

BENEFITING FROM A STRONG BALANCE SHEET

The impact of COVID-19 on the precinct's events program and M&OP's revenue was significant, but with a strong foundation of responsible financial management the organisation continues to occupy a strong position despite the challenges of the past 12 months.

Over time, M&OP has built sufficient cash reserves to ensure its business remains sustainable despite fluctuations in demand for venue hire. This approach has held the organisation in good stead and enabled it to provide \$8.4 million in financial relief to tenants and hirers, and \$2.5 million to support casual staff since the beginning of the pandemic while focusing on prudent financial management. This includes \$5.1 million in financial relief and \$1.6 million to support staff this year. Additionally, \$42.0 million was contributed to the Melbourne Park Redevelopment.

Total income for the year was \$43.3 million, down \$55.7 million from the previous year. This decline was largely due to the cancellation of revenue-generating events.

Total operating expenditure of \$57.0 million was \$13.8 million lower than last year. This excludes depreciation charges of \$39.4 million in the current year and \$39.1 million in the previous year.

The net operating balance for the year, excluding the depreciation charge and other economic flows, was a loss of \$13.7 million. This is down from the \$28.2 million profit in the previous year.

INVESTING IN A WORLD-CLASS PRECINCT

Major milestones were achieved this year as part of the Victorian Government's \$972 million Melbourne Park Redevelopment (which includes an \$80 million M&OP contribution to the project budget, plus an additional \$49 million contribution across the life of the project).

By the end of the year, the redevelopment was in its final stage, with CENTREPIECE at Melbourne Park and Show Court Arena nearing completion.

The Melbourne Park Redevelopment continued to run on time and on budget, due in no small part to the significant efforts of Development Victoria, Sport and Recreation

Victoria, Tennis Australia, Lendlease and all the other groups and individuals involved in this major infrastructure project. On completion the Melbourne Park Redevelopment will enhance the precinct's global reputation as Australia's centre stage for live sports and entertainment.

ACKNOWLEDGEMENTS

I would like to thank the Premier of Victoria, the Honourable Daniel Andrews MP; Treasurer, the Honourable Tim Pallas MP; and Minister for Tourism, Sport and Major Events, the Honourable Martin Pakula MP, for their continued support. I would also like to acknowledge the support and efforts of our partners, sporting clubs, tenants, customers and promoters.

As a trustee since 2016, it has been my privilege to work as part of a dedicated team led by former Chair Russell Caplan who finished his term in this reporting period. Russell joined the Trust in 2007 and served five terms as Chair, making a significant contribution. Among his accomplishments, Russell chaired the project steering committee for the near \$1 billion Melbourne Park Redevelopment, which has enabled Victoria to secure the Australian Open in Melbourne until at least 2039.

Thank you to Russell for his mentorship and leadership, and many thanks to all our Trustees, who serve in a voluntary capacity.

On behalf of the Trustees, I am proud of our people and how they responded to the many challenges that arose this year, ensuring our partners, customers and the broader community were safe and confident in the measures implemented across our venues. I was particularly impressed by the care you showed for each other, and for the community at large. We are optimistic about the future and look forward to the 12 months ahead with confidence, particularly in light of our community's demonstrated resilience, capability and determination.

While the successful completion of the Melbourne Park Redevelopment's third stage in 2021–22 will no doubt be cause for celebration, it is also an opportunity to turn our thoughts to the precinct's long-term master plan to secure its status as a global destination for world-class sports and entertainment events for the benefit of future generations of Victorians.

In closing, I would like to acknowledge a significant loss felt across the organisation and broader live entertainment sector when Michael Gudinski AM, founder and Chair of Mushroom Group, passed away on 2 March 2021. Mr Gudinski was a tremendous supporter and mentor to M&OP's people. He was always available, present and willing to share his expertise, and a special tribute is included on page 7 of this report.



Patrick Flannigan
Chair, Melbourne and Olympic Parks Trust

2020-21 HIGHLIGHTS



145
EVENTS



524,852
TOTAL
ATTENDEES



130,374
ATTENDEES AT THE
AUSTRALIAN OPEN



87%
CUSTOMER
SATISFACTION



5
CHAMPIONSHIP
WINNING
CLUBS



36
CHARITIES
SUPPORTED



\$5.1M
RELIEF FOR
TENANTS
AND HIRERS

COVID-19 RESPONSE



549
HAND
SANITISER
STATIONS



650
QR
CODES



54,000
MASKS
ISSUED



30
YEARS OF
TOURING



6
SHOWS AT
ROD LAVER
ARENA



34,000
TOTAL
ATTENDEES

CELEBRATING THE WIGGLES

LOSS OF A LEGEND

REMEMBERING MICHAEL GUDINSKI AM

The local and global arts and entertainment industry lost a legend on 2 March 2021 when Michael Gudinski, founder and Chair of Mushroom Group, passed away suddenly aged 68.

Michael founded Mushroom Group in 1972 at just 20 years of age. The company became Australia's largest independent music and entertainment group. Its expertise included touring, publishing, distribution, merchandising, booking and promotion, film and television production, and creative services.

The precinct benefited from a long and close relationship with Michael Gudinski. His wife Sue and children Matt and Kate are also much-loved figures within M&OP, and our entire team extends its deepest sympathies to them, and to Michael's extended family.

With lifelong experience in entertainment, Michael's virtuosity extended to all facets of the industry. His advocacy for new and emerging artists made him a great mentor to countless participants in the creative sector and beyond, including at M&OP.

On 8 March 2021, the Premier of Victoria, the Honourable Daniel Andrews, confirmed that Michael would be honoured with a state memorial at Rod Laver Arena.

Family, friends and admirers from across Australia and the world attended the memorial on 24 March, which was also live-streamed. The guest list included representatives from arts and entertainment, politics, sports and beyond.

Members of the general public were also able to attend if they pre-registered, and many did.

In a tribute fitting to Michael, the memorial was delivered to the highest production standards at a venue that featured centrally in his storied career. The memorial featured performances from numerous acts associated with Mushroom Group, Frontier Touring and Michael personally. It was hosted by Michael's friend and collaborator, Lee Simon, and included live performances from Ed Sheeran, Kylie Minogue, Jimmy Barnes, Paul Kelly, Mia Wray and Mark Seymour with Vika and Linda Bull.

In a further tribute to his legacy, the precinct was adorned with tour posters depicting the many world-class artists Michael brought to M&OP's arenas.

The memorial recognised and celebrated a man who contributed so much to our industry, with a passion for the arts and music that saw him loved, admired and respected in Australia and around the world. M&OP was honoured to host this fond farewell.



A BRAND BEFITTING JOHN CAIN'S LEGACY

In February 2020, the Premier of Victoria, the Honourable Daniel Andrews, announced that Melbourne Arena would be renamed John Cain Arena as a lasting tribute to the Honourable John Cain, former Victorian Premier.



John Cain served as the 41st Victorian Premier, from 1982 to 1990, and played a major part in relocating the Australian Open tennis tournament from Melbourne's Kooyong Lawn Tennis Club to the Melbourne Park complex in 1988.

Mr Cain was instrumental in the M&OP precinct's creation, and his vision led to Victoria's international recognition as a world-class sports and entertainment destination.

With a patron capacity of 10,300, John Cain Arena is home to some of the most iconic sporting and entertainment events in Australia. M&OP Chair Patrick Flannigan said, "John Cain's contribution to our precinct, city and state is immeasurable, and there is no more fitting tribute than his name shining brightly in the heart of our sports and entertainment precinct."

M&OP's former Chair, Russell Caplan, noted, "Without John Cain there wouldn't be a Melbourne & Olympic Parks precinct. He was the driver, he stood up for this idea, and he made sure that it happened. The people of Melbourne will be constantly reminded of that by seeing the name John Cain Arena."

This year, design agency R-Co developed the John Cain Arena visual identity and brand. The agency's founder and CEO, Richard Henderson, said of the project, "It wasn't just a sign, it wasn't just naming a building, it was recognising a significant contribution to society and obviously the economy." Henderson explained that the brand celebrates John Cain's stature and gravitas while acknowledging the arena, its performers, passion and sense of community, and its position at the heart of Melbourne Park.

Key stakeholders including tenants, hirers, the state government and the Cain family were consulted during the brand development. The Cain family contributed significantly across the project, and M&OP thanks them for their ongoing contribution to the precinct and its role as Australia's home of live sports and entertainment.

The innovative brand and signage incorporates multiple colourways and lighting states that change to reflect the colours of the teams who call the arena home. The branding of John Cain Arena won the 2021 DRIVENxDESIGN Award in the government category.

Mr Cain's name will light up the arena, reminding anyone who sees it of his indelible legacy.

PURPOSE, VISION AND VALUES

The Melbourne and Olympic Parks Trust (the Trust) was established under the *Melbourne and Olympic Parks Act 1985*.

It operates to manage and provide world-class facilities and ancillary services for sport, entertainment and events for the people of Victoria.

The Trust is accountable to the Victorian Government and manages the land and facilities of the Melbourne & Olympic Parks (M&OP) precinct. The precinct plays a fundamental role in sport and entertainment, and building a culturally rich and vibrant state.

PURPOSE

Administer, manage and promote the use of Melbourne & Olympic Parks for the purposes of sport, entertainment and recreation.

As a public sector agency, the Trust is the custodian of the M&OP precinct. Its purpose is governed by the *Melbourne and Olympic Parks Act 1985*.

VISION

To create a thriving precinct committed to excellence for every person, every event, every time.

CORE VALUES

We put the customer at the heart of everything we do.

This core value is supported by values that are incorporated into the day-to-day work of the organisation and its people, which are:

- COLLABORATION
- INTEGRITY
- OPEN-MINDEDNESS
- PASSION

As a Victorian public sector agency abiding by the *Public Administration Act 2004*, the Trust's values and behaviours are aligned with those of the Victorian public sector.

YEAR IN REVIEW

Deliberate and considered resource management saw M&OP achieve a strong result against its forecast financial models for 2020–21 while providing direct financial support to employees and partners, planning ahead and delivering events in a COVID-19 environment.



As Victoria's state of emergency extended into this financial year, impacts to M&OP's usual operations continued. Restrictions on public and social gatherings, sport and exercise, entertainment and cultural activities were relaxed midway through the financial year as COVID-19 case numbers came down, but were reinstated towards the end of the reporting period.

M&OP responded to the variable conditions by implementing mitigation strategies to manage operations and reduce expenditure. The 2020–21 financial year saw the organisation's significant cash reserve reduced as a result of lost revenue from cancelled, postponed or relocated sporting fixtures and live entertainment events.

However, despite the financial impacts of COVID-19, M&OP was still able to contribute \$42 million to the Melbourne Park Redevelopment, investing strongly in the precinct's recovery and post-pandemic role as Melbourne's home of live sports and entertainment.

The organisation remains in a positive financial position but may require financial support from the state government in 2021–22 to assist its economic recovery and ensure the organisation continues to be self-sufficient and financially sustainable in the long term.

OPERATIONAL IMPACTS OF THE COVID-19 PANDEMIC

Total income from operations was \$43.3 million, down \$55.7 million on the 2019–20 result. This decline was largely due to the impact of COVID-19 restrictions, which reduced the number of events to 145, from 283 in the last non-COVID year (2018–19).

In response to the pandemic, M&OP focused on strengthening partnerships; prioritising support to tenants, clubs and partners; and helping them prepare for the precinct's reopening and the return of events and guests.

Significant collaboration between M&OP and its tenant clubs and partners saw the successful preparation and implementation of COVIDSafe Plans for all events held at M&OP venues.

Careful planning alongside Tennis Australia and the COVID-19 Quarantine Victoria (CQV) program led to a successful 2021 Australian Open tennis tournament in February 2021, rescheduled from January. After five days with attendance restricted to 50 per cent capacity, a snap change in COVID-19 restrictions saw five days of play proceed with no spectators, before crowds were able to return to 50 per cent capacity for the last four days, including the tournament finals. The National Basketball League (NBL) Cup was held over 23 days in February

2021, with 32 of the games taking place at John Cain Arena. The precinct then hosted the regular fixtures of the NBL season and finals series, as well as Super Netball matches at John Cain Arena, and A-League season matches at AAMI Park. Additional sporting events this year included NRL, Super Rugby and W-League matches.

In 2020–21, five of M&OP's tenant clubs – including the Melbourne Vixens, Melbourne Storm, Melbourne Victory, Melbourne City and Melbourne United – were reigning victors of their respective leagues and codes.

The precinct also hosted six performances by The Wiggles at Rod Laver Arena in May 2021, with over 34,000 people attending. The Australian Ballet's triumphant return to the stage with four performances of *Summertime at the Ballet* at Margaret Court Arena was another highlight this year, as was the successful, rescheduled run of *PAW Patrol Live! Race to the Rescue* – which proved a huge hit with families.

M&OP continued to actively foster collegiate and supportive relationships with its partners and tenant clubs, providing financial relief to tenants and hirers, supporting event partners with ticketing fee refunds, and offering financial assistance to its casual workforce.



BUSINESS PLANNING

An annual Business Plan is prepared for approval in accordance with the requirements of the *Melbourne and Olympic Parks Act 1985* and the Ministerial Statement of Expectations, ensuring the Trust continues to deliver on its purpose.

The 2020–21 Business Plan set out seven strategic focus areas:

FOCUS AREA ONE

Redevelop our financial model

FOCUS AREA TWO

CENTREPIECE – operations and opening

FOCUS AREA THREE

Enhance the customer experience

FOCUS AREA FOUR

Strengthen our relationships and positioning

FOCUS AREA FIVE

Support and develop our people

FOCUS AREA SIX

Recovery and operational mastery

FOCUS AREA SEVEN

Adapt and diversify the business

The key achievements and major initiatives delivered for each strategic focus area are outlined in the following pages.

FOCUS AREA ONE

REDEVELOP OUR FINANCIAL MODEL

To maintain a sustainable business and continue to deliver on its purpose, M&OP focused this year on adapting its financial models to manage the impacts of the COVID-19 pandemic.

Throughout the year, M&OP operated in alignment with the Victorian Government's COVID-19 guidance notes and related policies, and the 'Industrial Relations Framework for managing the coronavirus (COVID-19) pandemic'.

M&OP also submitted monthly cash flow estimates to the Department of Jobs, Precincts and Regions and set detailed, short-term budgets on a quarterly basis. This flexible approach enabled M&OP to adapt its cost controls in a constantly evolving external environment. In line with the solvency principles prescribed by the Victorian Government's Crisis Council of Cabinet, M&OP reduced all variable and operational fixed costs to include only essential expenditure during periods of minimal or no activity in the precinct.

From January 2021 the precinct reopened with professional and elite sporting competitions operating in a restricted capacity under the Victorian Government's COVID-19 Public Events Framework. A tightly controlled Australian Open was staged from January to February 2021. Patronage at these sporting events was reduced due to density limits, and event delivery costs increased due to the safety measures implemented in order to comply with robust COVIDSafe Plans.

By adjusting its financial model to meet the challenges of a pandemic year, M&OP exceeded the most optimistic modelling outlined in its 2020–21 Business Plan. By applying prudent financial management strategies, M&OP remained in a positive cash position despite the considerable impacts of:

- significantly reduced revenue due to the cancellation of live entertainment events and reduced income from sporting events as a result of COVID-19 restrictions
- the increased cost of managing the business in accordance with COVIDSafe Plans
- providing financial relief to tenants and hirers totalling \$8.4 million since the start of the pandemic
- providing support to casual staff totalling \$2.5 million since the start of the pandemic
- contractual obligations of \$42 million committed to stage three of the Melbourne Park Redevelopment
- making a Sports Development Transfer to the Victorian Government of \$3 million



FOCUS AREA TWO

CENTREPIECE – OPERATIONS AND OPENING

CENTREPIECE at Melbourne Park is on track for delivery thanks to collaborative partnerships between Development Victoria, Sport and Recreation Victoria, Tennis Australia and Lendlease as part of the Victorian Government's \$972 million Melbourne Park Redevelopment.

The primary focus for CENTREPIECE throughout 2020–21 has been on preparing to open this exciting new venue in 2021–22. Despite the impacts of COVID-19 restrictions, the project remains on schedule and within budget as it approaches its conclusion.

With practical completion in August 2021, CENTREPIECE at Melbourne Park will play an important role in Melbourne's events industry as the sector works towards reopening.

Operational planning for CENTREPIECE at Melbourne Park was built around four pillars:

1. CLIENTS AND GUESTS
2. PEOPLE
3. OPERATIONS AND PRECINCT INTEGRATION
4. SALES, MARKETING AND COMMUNICATIONS

One of the key focus areas for the project has been to deliver an elevated food and beverage range that supports Victorian businesses.

CENTREPIECE will deliver a 'Victoria first' culinary approach across its menus, while ensuring food and beverage options for clients and their guests remain affordable. The culinary team's menus showcase locally procured items, with Victorian producers supplying ingredients across all categories.

CENTREPIECE's ethos of supporting local providers has extended beyond food and beverage. A rigorous tender process secured local partners for rigging and audiovisual equipment and services for the venue this year, with Showtech Australia appointed as the venue's exclusive rigging partner and Microhire as the successful preferred audiovisual partner.

A subproject focusing on the guest and client journeys also ensured a successful pre-planning and opening phase for CENTREPIECE. M&OP put together a team to market and deliver events for the venue, appointing roles



across sales, marketing, management, venue and events planning, and operational delivery.

As the precinct's fifth venue, seamless integration between CENTREPIECE and the broader precinct and operations of the organisation was essential. Additional subprojects included the testing and commissioning of programs and event schedules; traffic, transport and car parking management; venue operations and documentation; workforce training; and IT support. M&OP also developed a comprehensive suite of sales, marketing and communications plans to launch CENTREPIECE at Melbourne Park next financial year. Strong bookings and interest from the events industry are an early indicator of the venue's appeal and commercial viability.

FOCUS AREA THREE

ENHANCE THE CUSTOMER EXPERIENCE

M&OP's core value – 'we put the customer at the heart of everything we do' – was key to the organisation's approach to supporting customers throughout the year, particularly as guests were progressively welcomed back to the precinct for events in early 2021.

With numerous event cancellations, reduced crowd capacities and a complete redesign of the guest journey through the precinct in a COVID-safe environment, it is difficult to compare the 2020–21 customer experience with previous years. The organisation's customer measurement program was relaunched in early 2021 across the M&OP precinct venues, with new metrics developed to understand changes to customer sentiment, behaviour, needs and expectations in a COVID-19 setting.

Fans and audiences indicated they are 90 per cent as likely to attend as many, if not more, events in the precinct than they have in the past. This indicates that the need to balance customer safety while delivering world-class event experiences will continue to be a key priority.

Online customer surveys covering all four venues and the Australian Open delivered a positive overall customer satisfaction score of 8.7 out of 10, exceeding M&OP's target of 8.0. Guests indicated high satisfaction with the venues' cleanliness, presentation, suitability, customer service and overall safety, and with the proactive communications they received to help them prepare for events.

A number of opportunities were identified through these surveys, including enhancements to the food and beverage experience and improvements to onsite wayfinding and information. These customer insights have been embedded in strategic projects outlined in the 2021–22 Business Plan.

Customer-facing workforce tools, including a digital A–Z guide, were developed this year in order to improve employees' knowledge and responsiveness to customer needs. Comprehensive training was also provided for the event delivery workforce, with a focus on maintaining customer service excellence in a COVID-19 environment.

HIGHLIGHTS OVER THE PAST 12 MONTHS



INTRODUCING POP-UP MERCHANDISING TO MAXIMISE COMMERCIAL OPPORTUNITIES



OPENING IMPROVED FOOD AND BEVERAGE AND PREMIUM HOSPITALITY FACILITIES



DELIVERING AN IMPROVED SOCIAL MEDIA PROGRAM TO SHARE CONTENT DURING COVID-19 RESTRICTIONS



EMBRACING A MULTICHANNEL APPROACH TO COVIDSAFE MESSAGING



INTEGRATING USER DESIGN THINKING INTO KEY STRATEGIC PROJECTS AND INITIATIVES

FOCUS AREA FOUR

STRENGTHEN OUR RELATIONSHIPS AND POSITIONING

M&OP's success is underpinned by its performance as custodian and manager of some of Victoria's best-loved public assets.

While the organisation is responsible for ensuring a financial return on the precinct's assets, it must also balance multiple priorities and competing demands to look after the diverse interests of the precinct's partners.

The venues that make up M&OP play a fundamental role in showcasing sport and entertainment, and they contribute significantly to Victoria's reputation as a culturally rich and vibrant state. This year M&OP continued to build on its existing strong and mutually beneficial relationships with its partners and stakeholders.

STRENGTHENING PARTNER RELATIONSHIPS

M&OP sought to support its tenant clubs and partners in managing the peaks and troughs of live events and crowds throughout this year's COVID-19 restrictions, including:

- preparing COVIDSafe Plans and liaising with government
- managing the return of crowds and keeping people safe
- providing additional marketing and communications support

Supporting professional and state-level sporting teams was a key priority. In 2020–21, precinct venues were hired for a total of 151 days, including 135 days for national and international sporting competitions. M&OP provided \$5.1 million in financial relief to its tenants and hirers this year.

INVESTING IN THE VICTORIAN ECONOMY

An organisation-wide approach to procurement and partnerships ensures M&OP's economic contribution is directed first and foremost to Victorian businesses. This approach was exemplified in two key programs – the M&OP uniform refresh and the procurement of goods and services for CENTREPIECE at Melbourne Park.

Designed and produced locally by Victorian businesses, M&OP's new uniforms will reflect the organisation's commitment to investing in Victoria's economy in accordance with the Victorian Government's 'Guide to procuring uniforms and personal protective equipment'. It is estimated that 80 per cent of the project's total budget will be invested in the Victorian economy. The refreshed M&OP uniform will be provided to employees and officially launched in February 2022.

CENTREPIECE at Melbourne Park's 'Victoria first' ethos extends from its beverage supply partners and food and ingredients sourcing to its appointment of Victorian-based businesses as official audiovisual and rigging partners.

Tableware and decor from Victorian businesses Table Art, Robert Gordon and Plumm will adorn CENTREPIECE's tables, and the menu represents the best Victoria has to offer, with seasonal ingredients sourced from local farmers and producers. Beverage, dairy and coffee supply partners include Victorian-owned and operated businesses St David's Dairy, Moon Dog Craft Brewery, Capi Soft Drinks, Mitchelton Wines and Industry Beans.

LIVE ENTERTAINMENT INDUSTRY FORUM

The Live Entertainment Industry Forum (LEIF) was formed in 2020 by Australia's biggest entertainment and sport promoters and venue managers, together with key peak industry bodies, to support the safe reactivation of events with live audiences across Australia as COVID-19 restrictions eased. The group launched a comprehensive whole-of-industry reopening and risk management strategy to meet the needs of the public, government stakeholders, performers and associated industries.

As a LEIF member, M&OP made a significant contribution to developing the strategy. M&OP worked closely with fellow members, government and industry stakeholders to build confidence in the industry's preparedness to open and operate within the Victorian Government guidelines and to lead the safe return of events and guests to its venues.

FOCUS AREA FIVE

SUPPORT AND DEVELOP OUR PEOPLE

M&OP's core value is to 'put the customer at the heart of everything we do'. This is supported by values that are incorporated into the organisation's day-to-day work – collaboration, integrity, open-mindedness and passion.

The organisation aims to create environments where people feel supported and inspired to deliver outstanding performance.

From the guest experience team to precinct maintenance, operations and administrative staff, every employee's top priority is to provide exceptional service to guests across hundreds of sporting games, events and concerts each year. M&OP focuses on developing career pathways and opportunities for talented employees – fostering, recognising and drawing on their diverse skills and experience to help the organisation operate successfully in an ever-changing landscape.

M&OP's learning management system was expanded to deliver tailored, online professional development, education and skills to the entire workforce. This year, six team members were identified for their talent and promoted, and all executive and senior leaders participated in a Leadership Discovery Program to develop leadership capability and strengthen relationships and communication.

The organisation also provided opportunities for development through the Operational Mastery Program, which brought together cross-functional teams to develop, enhance and deliver critical projects to support and underpin the organisation's current and future needs. Project teams worked on balancing cost containment with the delivery of quality outcomes and provided opportunities for cross-skilling and collaboration. A key focus of this program was employee resilience and wellbeing, ensuring M&OP's people were equipped to adapt to new ways of working and were ready to mobilise quickly when live events returned to the precinct.

SUPPORTING M&OP TEAMS

In 2020–21, M&OP provided \$1.6 million in financial assistance to its casual workforce in alignment with the Victorian Government's 'Industrial Relations Framework for managing the coronavirus (COVID-19) pandemic', and supported employees via an Employee Assistance Program partnership with Assure Programs.

A HYBRID APPROACH TO WORKING

With COVID-19 restrictions in place until late 2020, most of M&OP's workforce worked from home, with a small, core team on site to support essential services and maintenance.

With the easing of workplace restrictions in early 2021, the team had a strong desire to connect with their colleagues and the precinct. In close consultation with its workforce, M&OP introduced a hybrid working model that enabled employees to work seamlessly, both remotely and on site. Collaboration, flexibility and work–life balance have been key drivers to support this approach, which saw staff working on site a minimum of two days per week and all employees in the office for a weekly 'connect day' that allowed them to work together and catch up face-to-face.

FOCUS AREA SIX

RECOVERY AND OPERATIONAL MASTERY

The state of emergency declared for Victoria in response to the COVID-19 pandemic in early 2020 saw the introduction of new regulations – including restrictions on public and social gatherings, sport, exercise, entertainment, and cultural activities – that impacted the way M&OP operates.

RECOVERY

M&OP responded with an optimistic strategic approach that saw the reduction in event activity as an opportunity to improve the organisation's operations, with a view to contributing significantly to the state's post-COVID recovery.

M&OP's COVID-19 Steering Committee oversaw the precinct's pandemic response, ensuring events were delivered safely and in accordance with state government requirements. M&OP's Reopen and Recovery Project, with expert advice from Dr Peter Harcourt OAM and Wayne Middleton of Reliance Risk, outlined requirements and delivered operating principles, guidelines, supporting materials and communication templates for stakeholders. This enabled M&OP to reactivate the precinct safely and with confidence when COVID-19 restrictions eased, delivering major events. This cautious and clear approach meant a significant number of jobs could continue across industries including sports, entertainment, security, cleaning and hospitality.

Ensuring the safe return of guests and M&OP's workforce to live events was a top priority. The organisation invested heavily in effective communication and awareness campaigns for employees and guests. These multichannel communications highlighted individual measures guests were required to take to protect their health and wellbeing, including requirements to wear masks, arrive at specified times, and maintain good hygiene and physical distancing practices. A formal COVID-19 awareness, safety and compliance program ensured the workforce understood their obligations before returning to deliver events.

M&OP worked closely with its hirers, clubs, partners and the Victorian Government's Department of Health to foster transparent and open relationships and respond to the many challenges of operating public events in a COVID-19 environment.



OPERATIONAL MASTERY

The reduction in event activity due to COVID-19 provided M&OP with an opportunity to design an Operational Mastery Program, establishing five agile project teams to develop and deliver critical business outcomes. This significant program of work had 82 team members engaged on projects, working from home, collaborating across departments and roles, and developing new skills in digital, customer experience, leadership and project management.

REMOTE LEARNING

A learning management system and learning and development matrix were rolled out organisation-wide. This created 26 customised training modules, cross-skilled 10 team members in system administration and digital course design, and gave all team members access to learning and development opportunities. The introduction of online, self-paced modules gave employees the opportunity to explore more than 700 courses in the learning management library. Customised courses included occupational health and safety, wellbeing, alcohol management, horticulture, Australian Open training and COVID-19 response inductions.

WORKFORCE

To improve knowledge and consistency across M&OP's workforce, this project stream improved position descriptions for more than 500 roles and launched M&OP's online digital A-Z guide. Designed to help customer-facing team members deliver excellent customer service. This guide includes facts, figures, images and maps on every aspect of the precinct and its operations.

EVENT AND VENUE GUIDE

This new tool brought together more than 300 pieces of information to help streamline and review processes across the end-to-end event journey and venue operations. The intranet-based guide delivers administrative efficiencies, consistency of M&OP venue processes, and improved onboarding for new team members.

CLIENT AND COMMERCIAL

With the needs of M&OP's diverse clients in mind, this project stream undertook research to develop an accessible and user-friendly digital tool to help clients and hirers access the information they need, when they need it. This tool is scheduled to be launched to M&OP clients in the 2021–22 financial year.

SAFETY

This project stream saw M&OP staff reviewing and streamlining M&OP's main safety checklists to ensure consistency, and to embed them in the organisation's incident management system. This activity included the development of checklists for COVID-19 operations and event readiness. The fit-for-purpose digital checklists are now available for smartphones and iPads, improving tracking and compliance.



FOCUS AREA SEVEN

ADAPT AND DIVERSIFY THE BUSINESS

M&OP's willingness and ability to adapt and diversify its business throughout the pandemic was critical to the organisation's success in 2020–21.

This focus on flexibility and agility has helped secure a strong future for the precinct, with M&OP introducing projects and strategies to enhance operations, content, partnerships and commercial activities.

Through adaption and diversification, M&OP continued to improve its business and commercial operations, delivering outcomes that take advantage of the precinct and support the dynamic event environment.

M&OP's adaption of business processes throughout the year led to new event planning and delivery practices that dealt with the prevailing environment and improved customer outcomes. These outcomes included improved guest communication processes, ticketing and seating plans, event planning without crowds and new hospitality options.

To adapt its workforce to the impact of COVID-19, M&OP introduced hybrid ways of working and organisation-wide

resource sharing. This sharing included strategic projects, event delivery teams and secondments in corporate services and resulted in improved agility, productivity and work–life balance.

While the precinct's event schedule was heavily impacted by COVID-19 restrictions, new content types were developed. These included *Summertime at the Ballet*, which delivered a new style of event in the arena environment. M&OP also worked with the National Basketball League (NBL) to adapt the format of the basketball season, creating the NBL Cup with 32 games held over four weeks at John Cain Arena.

M&OP activated new approaches to food and beverage plans for the opening of CENTREPIECE at Melbourne Park, and sought Victorian producers to deliver products that showcase the state's offerings.



REPORT OF OPERATIONS

Welcoming hundreds of events and millions of visitors each year, Melbourne & Olympic Parks is one of the world's top sporting, entertainment and community precincts.



OVERALL PERFORMANCE



Total income from operations was \$43.3 million, down \$55.7 million on the prior year (2020: \$99.0 million). This decline was largely due to the continued impacts of the COVID-19 pandemic on normal business operations, which reduced the number of events to 145, from 283 held in the last full year not affected by COVID-19 (2018–19). The majority of events during the reporting year were held at AAMI Park and John Cain Arena, comprising mainly sporting events and a reduced-capacity Australian Open.

Total operating expenditure of \$57.0 million was \$13.8 million lower than last year (2020: \$70.8 million). The decrease in costs was largely attributed to a reduction in event costs, resulting from fewer events being held, and general cost saving measures implemented. This operating expenditure excludes depreciation charges of \$39.4 million (2020: \$39.1 million). The slight increase in depreciation was due to an increase in the value of building assets with the completion of capital projects to enhance the infrastructure and facilities on the precinct.

M&OP also continued to support the Victorian Government's sport and recreation programs with a Sports Development Transfer of \$3 million.

M&OP's land and building assets were revalued by the Valuer-General Victoria (VGV) as at 30 June 2021. This resulted in a \$181.7 million increase in the value of land held by the Trust and a \$165 million decrease in the valuation of the Trust's buildings, of which \$50.6 million was recognised as a net loss on non-financial assets in the net result.

The revaluation to land and buildings resulted in a net change in the asset revaluation reserves of \$67.3 million (2020: \$118.5 million).

The Trust's net worth increased by \$2.2 million to \$2.446 billion during the year. This was mainly due to a change to the asset revaluation reserve from the impact of the revaluation of land and the Victorian Government's contributions to the Melbourne Park Redevelopment, partly offset by a reduction in M&OP's accumulated surplus.

ROD LAVER ARENA

Rod Laver Arena is the centre court of the Australian Open tennis championships. This was the first major event held in Melbourne Park in 2021 following the relaxation of COVID-19 restrictions in late 2020. The atmosphere at the arena was impressive despite limited crowd numbers at the men's and women's finals.

Following the hiatus, Rod Laver Arena was privileged to host the state memorial for Michael Gudinski AM in a fitting tribute to a long-time supporter and friend of the venue. This was followed by six performances from The Wiggles, attracting 34,000 guests in the much-loved group's 30th year of touring.

Two significant private events were hosted at Rod Laver Arena this year: a recording of Tones and I for the ABC TV program *The Sound*, and the launch of SportNXT, a global sports business summit.

The second stage of Rod Laver Arena's development works were completed as part of the Melbourne Park Redevelopment in the previous financial year. This year, Lendlease was named Master Builders Victoria's Master Builder of the Year (Commercial) for the project, which was recognised as the premier building project in its category. The development included a new patron entry, reorientation of the arena entry, expansion of artists' dressing rooms and the introduction of a large-scale restaurant experience and rooftop bar.

This year also saw significant interruptions to events scheduled at Rod Laver Arena, with COVID-19 pandemic restrictions resulting in multiple postponements and cancellations.

EVENTS DURING THE YEAR

Australian Open
Michael Gudinski AM State Memorial Service
SportNXT summit launch
The Wiggles
Tones and I for ABC TV

M&OP undertook significant planning work throughout 2020–21 to meet the Victorian Government's COVIDSafe requirements and the Live Entertainment Industry Forum's recommendations. This program of work delivered signage, venue zoning, employee training, additional resourcing and roles, revised cleaning and patron medical processes, air circulation improvements and changes required due to the introduction of density limits.

In a show of public confidence in the entertainment industry and despite numerous shows and tours being postponed, the vast majority of Rod Laver Arena guests retained their tickets for the rescheduled shows. Strong ticket sales for multiple shows put on sale for 2021 and 2022 are also an encouraging sign for the year ahead.



AUSTRALIA'S BELOVED AND ICONIC
HOME OF ARENA EXPERIENCES



HOME TO THE AUSTRALIAN OPEN'S GRAND SLAM
CENTRE COURT AND ARENA ENTERTAINMENT



HOSTS 16,600 GUESTS IN THE ROUND,
13,500 IN END-STAGE CONCERT MODE
AND 7,000 IN REDUCED CONCERT MODE



JOHN CAIN ARENA

Melbourne's most flexible arena was busiest in the second half of 2020–21, with 57 shows across 26 events and 100,863 patrons attending the venue.

Once again, the arena reprised its role as 'the people's court' during the Australian Open, hosting matches in the first eight days of the tournament.

John Cain Arena was then converted to host 32 of the 36 matches of the inaugural National Basketball League (NBL) Cup in February and March 2021, when all nine NBL teams met in Melbourne to play 36 matches over 23 days.

The arena continued to host strong home game seasons for its tenant basketball and netball clubs, adjusting for disruptions resulting from COVID-19 restrictions. A major highlight of this year's arena calendar was game three of the NBL finals series, where Melbourne United beat Perth Wildcats to secure their second championship (as Melbourne United) in front of an enthusiastic home crowd.

Significant venue upgrades continued as part of the Victorian Government's \$13 million investment to make Victoria the basketball capital of Australia. These works included the completion of retractable seating and the introduction of the venue's new and vibrant branding.

EVENTS DURING THE YEAR

Australian Open
NBL Cup (32 games)
Collingwood Magpies netball (2 home games)
Melbourne Vixens netball (3 games)
Melbourne United basketball (10 home games, 1 grand final)
South East Melbourne Phoenix basketball (9 games)

The second stage of enhancements undertaken during 2020–21 included a major upgrade to corporate spaces including the eastern lounge and corporate reserve, the creation of a new space under raiseable seating, the building of a vibrant new player and artist entrance, an upgrade of the entire auditorium sound system, and the addition of north and south transverse aisle LEDs.



CAPACITY OF 11,000 PATRONS FOR CONCERTS
AND 10,500 FOR SPORTING EVENTS



ABLE TO BE TRANSFORMED INTO A
250-METRE VELODROME AND TO HOST
NETBALL, BASKETBALL, CYCLING, BOXING,
ICE HOCKEY, GYMNASTICS, DANCESPORTS
AND OTHER ENTERTAINMENT EVENTS



FEATURES ANGLED SEATING TO BRING PATRONS
IN THE UPPER LEVEL CLOSER TO THE ACTION



MARGARET COURT ARENA

Margaret Court Arena (MCA) welcomed its first standalone COVIDSafe event in February 2021, when The Australian Ballet returned to the stage with four stunning performances of *Summertime at the Ballet*.

With the support of Orchestra Victoria, The Australian Ballet set a spotlight on the beauty and versatility of its dancers with excerpts from its most celebrated classics, in addition to its latest contemporary works and signature repertoire, as choreographed by Artistic Director David Hallberg.

Summertime at the Ballet showcased MCA's acoustic excellence and versatility with a bespoke configuration, giving guests a unique, up-close experience. These performances also enabled The Australian Ballet to break free from its traditional mould, attracting wider audiences and exhibiting its artistic and athletic prowess in a new forum. Following the success of these performances, M&OP is looking forward to creating more opportunities for arts and culture within the precinct.

MCA also hosted another four successful *PAW Patrol Live! Race to the Rescue* performances in May 2021 in partnership with TEG Life Like Touring.

EVENTS DURING THE YEAR

Australian Open

The Australian Ballet
Summertime at the Ballet (4 performances)

TEG Life Like Touring PAW Patrol Live!
Race to the Rescue (4 performances)

These performances were rescheduled from 2020, when they were postponed following COVID-19 restrictions. As confidence in event attendance grew within Victoria, interest in this show – particularly with families – was high, with nearly all shows selling out in advance.



KNOWN FOR ITS VERSATILITY AND ACOUSTIC EXCELLENCE AND ABLE TO TRANSFORM INTO SEVEN CONFIGURATIONS TO HOST CONCERTS, TALKS, CORPORATE EVENTS, GALAS AND INDOOR SPORTS



THE FIRST SPORTS AND ENTERTAINMENT ARENA IN AUSTRALIA TO RECEIVE LEED GOLD CERTIFICATION FOR SUSTAINABILITY



COMFORTABLY HOLDS BETWEEN 2,000 AND 7,500 GUESTS IN DIFFERENT EVENT FORMATS



AAMI PARK

A number of AAMI Park's home teams enjoyed success throughout the year. This includes Melbourne Storm winning the 2020 National Rugby League (NRL) season (based out of the NRL hub in Queensland), and Melbourne City winning the 2020–21 A-League grand final in front of a home crowd in June 2021.

AAMI park provides elite facilities for professional sporting teams including Melbourne Storm, Melbourne Rebels, Melbourne Victory and Melbourne City. Australian Football League teams are also part of the AAMI Park family, with Melbourne Football Club training at the stadium and Collingwood Football Club using training and administration spaces located at Olympic Park.

COVID-19 restrictions meant the venue was unable to host public events in the first half of the year. As restrictions eased, in the six months from January 2021, the stadium hosted 39 events, attracting nearly 215,000 patrons.

Throughout 2020–21, the AAMI Park and wider M&OP management teams worked closely with tenant clubs and the Victorian Government to ensure the venue's COVIDSafe Plan was embedded and operational. Events at the venue were staged in accordance with advice and guidance from the Victorian Government's COVID-19 Public Events Framework, and M&OP continued to implement the necessary initiatives across events and tenanted spaces to ensure AAMI Park was compliant and people were safe at all times.

EVENTS DURING THE YEAR

Melbourne Victory FC (8 home games)
 Melbourne City FC (12 home games)
 Western United FC (5 home games)
 A-League grand final (1 game)
 W-League Melbourne City FC (1 home game)
 W-League Melbourne Victory FC (1 home game)
 Melbourne Rebels (5 home games)
 Melbourne Storm (5 home games)



MELBOURNE'S PREMIER RECTANGULAR STADIUM, WITH A CAPACITY OF 30,050 PEOPLE FOR SPORTING EVENTS



PROVIDES ADMINISTRATIVE AND TRAINING FACILITIES FOR MULTIPLE TENANTS ACROSS FOUR SPORTING CODES



FEATURES AN ELITE SPORTS TRAINING CENTRE, GYMNASIUM AND LAP POOL



CENTREPIECE

CENTREPIECE at Melbourne Park is set to become Melbourne's most surprising new conference and events venue.

Scheduled to open in September 2021, CENTREPIECE is designed to bring people together for diverse occasions and experiences in the heart of the city's cultural landscape. The innovative space provides a blank canvas, ready to be adapted, personalised and brought to life for events of all shapes and sizes.

The unparalleled versatility of CENTREPIECE's footprint is based on a unifying purpose – to create memorable, magnetic experiences. M&OP's expert CENTREPIECE team will offer new ways for customers to experience industry-leading trade shows and conventions, global conferences and spectacular gala dinners. From the beautiful architectural finishes to the impressive city views, attention to detail is key, and the talented CENTREPIECE team is looking forward to working with clients in 2021–22 to bring their events to life.

M&OP has taken a 'Victoria first' approach to venue catering and procurement, and the venue is ready to showcase the very best of what the state has to offer.

Ideally located within the precinct, CENTREPIECE is easy to access and intrinsically linked with Melbourne's CBD and everything the city has to offer. This includes some of the world's top music, art and sporting scenes, and Australia's best food and hospitality.

M&OP is confident CENTREPIECE will consistently surprise and delight customers and guests and leave a lasting impression.



MELBOURNE PARK REDEVELOPMENT

AND OTHER CAPITAL WORKS

For more than 100 years, the Melbourne & Olympic Parks precinct has been at the heart of Victoria's sporting and entertainment culture.



Thanks to construction partner Lendlease, this part of the broader M&OP precinct evolved further this year, ensuring its world-class facilities will continue to attract acclaimed performers, entertainers and international sporting events. The \$972 million Melbourne Park Redevelopment is set for completion in 2023 and will transform the precinct into a \$2.4 billion asset for the benefit of all Victorians.

Work continued this year on the new 5000-seat, multipurpose Show Court Arena and CENTREPIECE at Melbourne Park. These two venues are on track to be delivered as part of the third and final stage of the redevelopment ahead of the 2022 Australian Open. Construction costs for the redevelopment over 2020–21 totalled \$144 million, with the Trust contributing \$42 million during this period.

The Trust also directly invested more than \$15.1 million in other capital works to improve and upgrade other facilities and infrastructure across the precinct. These works will benefit M&OP's partners and tenants and help to attract more local, state, interstate and overseas visitors to the precinct.

This investment included:

JOHN CAIN ARENA \$10.1 MILLION

UPGRADING THE PLAYERS' ENTRY, CORPORATE SUITES AND LOUNGE; INSTALLING LED LIGHTING AND RETRACTABLE SEATING; AND REBRANDING OF THE VENUE

MELBOURNE PARK PRECINCT \$2.7 MILLION

UPGRADING TENNIS COURT CABLING, LIGHTING, CATERING EQUIPMENT, CARPARKING SYSTEMS, DIGITAL PLATFORMS, SECURITY INFRASTRUCTURE AND HORTICULTURE SUSTAINABILITY INITIATIVES

TECHNOLOGY AND EQUIPMENT \$1.5 MILLION

UPGRADING INFORMATION TECHNOLOGY EQUIPMENT, CCTV CAMERAS, AUDIO VISUAL SYSTEMS AND STAFF UNIFORMS

COVID-19 INFRASTRUCTURE \$0.6 MILLION

INSTALLING EQUIPMENT AND MODIFYING AIR VENTILATION IN LINE WITH GOVERNMENT GUIDANCE FOR THE COVID-19 RESPONSE

OLYMPIC PARK PRECINCT \$0.2 MILLION

UPGRADING AAMI PARK POOL INFRASTRUCTURE AND CATERING EQUIPMENT, AND INSTALLING BILLY SLATER AND CAMERON SMITH STATUES

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The M&OP precinct has long been a place for Victorians to gather together. Located across 40 hectares on the banks of the Yarra River, the area is bordered by beautiful open public spaces, parklands and community facilities.

Sites like Gosch's Paddock, Olympic Park Oval and Grand Slam Oval can be enjoyed by everyone from professional athletes to the casual jogger or dog walker, and these important green spaces are well used year-round by Victorians keen to get fit and stay active. These public spaces provided much-needed recreational space for Melbournians to look after their health and wellbeing, particularly as a place to exercise and enjoy the outdoors during the pandemic.

The Trust continues to invest in maintaining and improving these areas for everyone who uses them – from elite-level AAMI Park tenant clubs such as the Melbourne Football Club, Melbourne Victory FC, Melbourne Rebels, Melbourne Storm and Collingwood Football Club – to recreational users and community groups.

On 10 March 2021 the Victorian Government, in partnership with M&OP and Melbourne Storm, unveiled cast bronze statues of rugby league superstars Billy Slater and Cameron Smith. Slater and Smith were recognised for their contributions to rugby league generally, and specifically to Melbourne Storm. The statues were created by renowned Australian artists Gillie and Marc, and they are prominently displayed at the front of Melbourne Storm's headquarters at AAMI Park.

M&OP continues to play an important role in maintaining a thriving and prosperous precinct that caters for premier sport and cultural events. The work done to achieve M&OP's vision contributes to an active and engaged community. As a statutory authority, M&OP supports and activates government directives and policies for the people of Victoria. In doing so, M&OP incorporates, where possible, the strategic directions outlined in *'Active Victoria – A strategic framework for sport and recreation in Victoria.'*



The organisation is committed to supporting sports and community organisations. Again this year, through its grants program, it provided affordable access to precinct venues and spaces for charities and not-for-profit organisations to undertake fundraising events for meaningful causes. The precinct's open spaces are ideal for holding these events, which include boot camps, family days and charity fun runs, such as the Upstream Foundation's Upstream Challenge and the Cancer Council's Walking Stars event.

Throughout the year, several planned club and community activities or events took place within the M&OP precinct, including training, school holiday programs and charity fun runs. Thirty-six charities and community groups were supported by activating Rod Laver Arena and AAMI Park's unique roof lighting and Olympic Boulevard signage. The Trust also made a \$3 million Sports Development Transfer to support the state government's sport and recreation programs.

DIGITAL ENGAGEMENT

In 2020–21, M&OP increased its focus on consumer insights and digital channels to deliver additional value and support to precinct tenants and major hirers.



M&OP's corporate communications team focused on increasing the reach and engagement of its social channels by developing and sharing bespoke content that provided fans with new insight into the precinct's venues, while also supporting their guest experience.

Early in 2020–21, M&OP met with each of its tenant clubs and major hirers to understand how it could better support their marketing efforts by sharing customer insights drawn from data and analytics. The organisation then launched its Genome Live ticketing insight and analysis tool in partnership with TEG Analytics. This tool provides demographic and psychographic reporting on ticketing activities across all M&OP events and venues. This information provides a more sophisticated picture of who is buying tickets, and helps our hirers build more effective campaigns and strategies.

M&OP's database of subscribers includes more than 500,000 contacts, and these customers are offered

exclusive opportunities and pre-sale tickets on behalf of our hirers and partners. In 2020–21, these campaigns were particularly successful for the Collingwood Magpies netball team; Australia's national rugby team, the Wallabies; and rock band My Chemical Romance.

This year has also seen an increased focus on creating engaging social media content for fans, to grow the reach of M&OP's channels and extend the visibility of events. Throughout the year there were over 7.1 million impressions on M&OP's social media channels (Facebook, Instagram, Twitter and LinkedIn) and 501,000 video views.

M&OP uses these channels to amplify tenant club messaging and share bespoke behind-the-scenes content. The time-lapse video of the bump-in for The Australian Ballet's production *Summertime at the Ballet* received excellent feedback, as social media users enjoyed watching Margaret Court Arena transform from a tennis stadium to a ballet theatre in only a few days.



MELBOURNE

Rafael Nadal in action at the 2021 Australian Open.

AUSTRALIAN OPEN

In a year like no other, and despite the challenges of COVID-19, the 2021 Australian Open was successfully and safely delivered.

M&OP supported Tennis Australia (TA) to rise above the uncertainty in the lead-up to the tournament and worked collaboratively to overcome the many challenges of staging an international sporting event during a global pandemic.

Crowd restrictions and five-day stay-at-home restrictions reduced attendance by 84 per cent. Ground passes were unavailable and activations including the AO Live Stage were cancelled. The Australian Open precinct was reorganised into three distinct 'hard zones' with contact tracing and digital tickets in place, giving the event a distinctly different feel.

This year's unique approach consisted of three phases – quarantine, lead-in events and the main draw. Each phase was complex, and M&OP and TA had to focus on each, one by one, often operating in a highly dynamic environment that called for a high degree of adaptability.

In consultation with M&OP, TA formulated a detailed COVIDSafe Plan that included biosecurity controls, health and safety messaging, hard zoning capacities, a detailed cleaning regime and proposed patron modelling.

AUSTRALIAN OPEN CHAMPIONSHIP WINNERS

WOMEN'S SINGLES
NAOMI OSAKA (JAPAN)

MEN'S SINGLES
NOVAK DJOKOVIC (SERBIA)

QUAD WHEELCHAIR SINGLES
DYLAN ALCOTT (AUSTRALIA)

QUAD WHEELCHAIR DOUBLES
DYLAN ALCOTT AND
HEATH DAVIDSON (AUSTRALIA)

MEN'S WHEELCHAIR SINGLES
JOACHIM GÉRARD (BELGIUM)

WOMEN'S WHEELCHAIR SINGLES
DIEDE DE GROOT (NETHERLANDS)

MEN'S WHEELCHAIR DOUBLES
ALFIE HEWETT AND
GORDON REID (GREAT BRITAIN)

WOMEN'S WHEELCHAIR DOUBLES
DIEDE DE GROOT AND
ANIEK VAN KOOT (NETHERLANDS)

MEN'S DOUBLES
IVAN DODIG (CROATIA) AND
FILIP POLÁŠEK (SLOVAKIA)

WOMEN'S DOUBLES
ELISE MERTENS (BELGIUM) AND
ARYNA SABALENKA (BELARUS)

MIXED DOUBLES
BARBORA KREJČÍKOVÁ
(CZECH REPUBLIC) AND
RAJEEV RAM (USA)

AUSTRALIAN OPEN 2021 AT A GLANCE



QUALIFYING ROUNDS WERE HOSTED OFFSHORE FOR THE FIRST TIME



THE COVID-19 QUARANTINE VICTORIA PROGRAM HOSTED 966 PEOPLE IN MELBOURNE, WITH FOUR QUARANTINE HUBS CREATED AT MELBOURNE PARK



THE BIGGEST EVER LEAD-IN WEEK FEATURED THE MELBOURNE SUMMER SERIES, INCLUDING THREE WTA 500 EVENTS AND TWO ATP 250 TOURNAMENTS ONSITE.



THE AUSTRALIAN OPEN WAS PLAYED IN FRONT OF 130,374 FANS, WHILE ATTENDANCE WAS LIMITED WITH FIVE-DAY 'CIRCUIT BREAKER' STAY-AT-HOME RESTRICTIONS COMING INTO FORCE DURING THE MAIN DRAW



A TOTAL OF 11.3 MILLION NATIONAL VIEWERS MADE THE TOURNAMENT DOMINATE THE TELEVISION RATINGS DESPITE ITS MOVE TO FEBRUARY.



THE TOURNAMENT AIRED LIVE IN MORE THAN 210 TERRITORIES INTERNATIONALLY ON MORE THAN 50 TELEVISION CHANNELS, REACHING MORE THAN 900 MILLION HOMES DAILY



AUSTRALIAN NICK KYRGIOS'S FIVE-SET LOSS TO AUSTRIA'S DOMINIC THIEM WAS THE MOST WATCHED NON-NEWS PROGRAM OF 2021, WITH A NATIONAL PEAK OF 1.8 MILLION VIEWERS AND AN AVERAGE AUDIENCE OF 1.3 MILLION

TENNIS AUSTRALIA

Tennis Australia (TA) continued to deliver benefits to the Victorian community through the ongoing annual success of the Australian Open and by increasing participation and engagement in tennis across the board.



This year the Australian Open welcomed 494 players from 62 countries to compete across qualifying, singles, doubles and wheelchair events. Before the tournament, the Australian Open trophies travelled more than 3,000 kilometres through more than 20 Victorian towns.

TA is committed to helping communities impacted by events such as 2019–20's bushfires and the COVID-19 pandemic. After the 'Rally for Relief' Victorian Bushfire Appeal in 2020, the Australian Tennis Foundation this year visited bushfire-affected communities, helping them rebuild and bring people together through tennis.

The 2021 Australian Open featured the pre-recorded voices of community heroes for the line calls 'out' and 'fault', as a way of honouring people including COVID-19 frontline workers, firefighters, surf lifesavers, and other emergency service personnel.

TA is committed to playing its role in reconciliation and recognising and celebrating First Nations people and culture through building relationships and working with Aboriginal and Torres Strait Islander people. This commitment is demonstrated by activities and partnerships that engage Aboriginal and Torres Strait Islander communities, educate clubs and coaches,

enhance talent identification, provide pathway opportunities and create playing opportunities through community events and tournaments, such as the annual National Indigenous Tennis Carnival.

This year TA partnered with JobsBank to help people experiencing barriers to employment get a foot in the door at the Australian Open. Participants included young people from refugee backgrounds, and people from travel and tourism industries impacted by COVID-19.

TA celebrated the creativity and talent of Melbourne artists through the Artist Community Engagement project, which provided a colourful backdrop to the Australian Open as 15 of Australia's most renowned street artists rallied together to create a one-of-a-kind art walk. Inspired by the theme 'No Place for Impossible', the artists shared their larger-than-life visions of the future, creating street art and digital installations across the site, including on staircases, walkways and ramps, at precinct entrances, around courts, and on Grand Slam Oval.

In partnership with Monash University and design agency AKQA, TA launched Action Audio, an online audio stream to make the live broadcast of the tournament's finals accessible to people living with blindness or vision impairment.

OUR PARTNERS

A critical part of M&OP's role is to support a range of sporting codes throughout the year, enabling them to succeed and helping them deliver community events for the benefit of Victorians.

THE PRECINCT IS HOME TO 10 NATIONAL SPORTING TEAMS

Melbourne Storm (NRL)

Melbourne Rebels (Super Rugby)

Melbourne City Football Club (A-League)

Melbourne Victory Football Club (A-League)

Melbourne Football Club (AFL)

Collingwood Football Club (AFL)

Collingwood Magpies (Super Netball)

Melbourne Vixens (Super Netball)

South East Melbourne Phoenix (NBL)

Melbourne United (NBL)

MELBOURNE STORM



In March 2021, Melbourne Storm's first home game back at AAMI Park for the season was a triumph with 11,779 guests attending – the biggest crowd at the precinct in a year. This number was beaten when 19,456 guests attended on ANZAC Day.

The Storm enjoyed another strong season in 2020–21, achieving their highest ever membership numbers and winning the 2020 grand final. At 30 June, the team sat at the top of the National Rugby League (NRL) table.

In response to COVID-19 restrictions and border closures,

M&OP continued to work closely with Melbourne Storm and the NRL to provide a safe and comfortable space for the home team, and those flying in and out on game day. AAMI Park management worked with Melbourne Storm and other tenants to ensure training facilities were secure and compliant with biosecurity protocols.

On 10 March 2021, Treasurer of Victoria, The Honourable Tim Pallas MP unveiled the Cameron Smith and Billy Slater statues in front of AAMI Park, celebrating the significant achievements of these two legendary Melbourne Storm players.

MELBOURNE REBELS



The Melbourne Rebels aspire to be Australia's most connected, accessible and respected rugby club, representing the city's people and passion for sport.

Due to the COVID-19 pandemic, the Super Rugby season was divided into smaller competitions, and did not include South Africa or Argentina this year.

Between March and April 2021, the Melbourne Rebels hosted all four other Australian teams at AAMI Park in the

five-round national competition, and in May 2021 the club hosted one New Zealand team as part of the 10-team trans-Tasman crossover competition.

In April 2021, a community round saw local rugby clubs involved in a unique match-day experience. AAMI Park worked with the Rebels to ensure the community teams could participate with a run-through banner and enjoy competitions and matches played at half-time. This initiative reflected the club's strong community values and willingness to give back.

MELBOURNE CITY FOOTBALL CLUB



Melbourne City Football Club had an exceptional 2020–21 A-League season, winning both the Premier's Plate and A-League grand final for the first time in the team's A-League history. The grand final in June 2021 at AAMI Park was played in front of a limited but passionate home crowd of more than 12,000 fans.

Melbourne City's supporters attended matches early in the season and the club was very responsive to event delivery requirements in a COVID-19 environment.

Scheduling changes due to COVID-19 restrictions resulted in mid-week matches and briefer on-sale periods before matches, which impacted attendance across the season. While this was disappointing for the club, its successful year saw crowd numbers improve for matches towards the end of the season.

The team played 14 home matches on precinct, with 11 wins and a draw that helped set up their historic season finish.

MELBOURNE VICTORY FOOTBALL CLUB



A tenant of the precinct since its inception in 2005, Melbourne Victory is one of the most successful clubs in the A-League and has built a strong supporter base and established a highly respected, award-winning community engagement program, generating significant and broad social outcomes for the community.

Victory supporters were welcomed back at AAMI Park matches from April 2021, and the club took out the W-League premiership the same month. From the beginning of May 2021, Melbourne Victory implemented an approved

COVIDSafe Plan to reintroduce Victory Village at Gosch's Paddock, improving fans' match-day experience.

Closed-door matches at AAMI Park due to COVID-19 restrictions included a W-League match against the Western Sydney Wanderers in March 2021 and Victory's final match for the A-League season in June 2021.

Following post-season consultation with internal stakeholders and members, Melbourne Victory is excited to confirm it will play all home games at AAMI Park for the 2021–22 A-League season, which is scheduled to kick off in October 2021.

MELBOURNE FOOTBALL CLUB



The historic Melbourne Football Club enjoyed strong seasons this year for both their men's and women's teams.

Earlier in the COVID-19 pandemic, the club moved its AFL teams to separate training grounds and M&OP worked with the club to ensure COVIDSafe Plans and the relevant AFL protocols were followed.

Melbourne's women's team performed strongly at the end of its 2021 season, reaching the preliminary final.

When the women's season ended, Melbourne's men's teams requested a return to onsite training at the precinct. As of 30 June 2021, the men's team was top of the Australian Football League's ladder and looked to be a strong contender for the finals.

M&OP and Melbourne Football Club are working closely with Sport and Recreation Victoria on a proposed upgrade to Gosch's Paddock Oval to further develop the club's facilities within the precinct in 2021–22.

COLLINGWOOD FOOTBALL CLUB



Collingwood Football Club is one of the oldest and largest sporting clubs in Australia. It's proud to be part of the M&OP precinct and appreciates its collaborative partnership with the organisation.

The club has more than 80,000 members, operates a wide range of community programs and partnerships, and fields eight teams in AFL, AFLW, Suncorp Super Netball League, wheelchair AFL and Reclink AFL.

In 2020, Collingwood secured Australian Government funding to redevelop facilities for women's sports teams and to establish a sports performance, rehabilitation and

research hub in partnership with Monash University.

This year Collingwood continued its focus on supporting Aboriginal and Torres Strait Islander and multicultural communities, growing participation in women's sports through equal opportunity, and encouraging people with disability to lead active lives.

In preparation for the 2021 AFL season, AAMI Park management worked with Collingwood to ensure training facilities were secure and compliant with the AFL's biosecurity protocols. This included installing temporary fencing around training facilities.

COLLINGWOOD MAGPIES



The Collingwood Magpies Netball Club – featuring players from Jamaica, England and Australia – plays in the national Suncorp Super Netball League and Australian National Championships.

Despite being forced to relocate to Queensland for the 2020 season due to the pandemic, the team is proud to play its home games at John Cain Arena and appreciative of the support and superb facilities provided by M&OP.

The team trains at the Holden Centre and also hosts development programs and camps for aspiring netballers.

The Collingwood Magpies promotes gender equality, empowerment, leadership, and active and healthy lifestyles for girls and young women. As part of the Collingwood Magpies family, the club also runs programs to engage with Aboriginal and Torres Strait Islander and multicultural communities and to help people with disability to lead active lives.

MELBOURNE VIXENS



As the most popular female sport and sports team in Victoria (and arguably nationwide), Netball Victoria and the Melbourne Vixens enrich people's lives through netball, working in partnership with M&OP.

While the Vixens were forced to relocate to a Queensland hub, where they remained for the duration of the 2020 Suncorp Super Netball season, the team brought joy to sport-loving Aussies who watched the compressed

season on television from all over the country.

In a heart-stopping final in October 2020, the Vixens were proud winners of the 2020 championship, 'doing it for Vic'. The club launched its 2021 season with the slogan 'Fearless'. This builds on the 'Witness Fearless' campaign that rallied netball fans to support the game through the challenges of 2020. The Vixens are the competition's most watched, followed and attended team, and they aim to use their position to promote the sport.

SOUTH EAST MELBOURNE PHOENIX



In 2020–21, just its second year in the competition, South East Melbourne Phoenix became the first expansion team to make the National Basketball League (NBL) finals series and finished runner-up in the inaugural NBL Cup.

With NBL scheduling impacted by COVID-19 and crowd density restrictions in place, the club hosted nine NBL games at John Cain Arena, including a successful fundraising match day for the Starlight Foundation. The game night crew included 160 volunteers working more than 1,000 hours in total.

The club connected with more than 5,000 young basketballers through its school participation, holiday camp and basketball association programs and engagement activities, including a successful health and wellbeing video series on the state government's Victoria Together web portal. Through the support of the State Sport Centres Trust, Phoenix also launched free eLearning courses for secondary school students and teachers in the Latrobe Valley.

M&OP's support has been critical in helping Phoenix recover from pandemic impacts, and the club is excited to work with M&OP to encourage fans back to live sport.

MELBOURNE UNITED



Melbourne United continued to rise to the challenge this year, strengthened by its relationships with M&OP, the state government, a strong ownership group, key partners and members.

After a strong period of growth pre-COVID-19, the club faced relocated and closed games, and patron limits. It worked closely with M&OP to adapt and keep showcasing elite basketball in a family-friendly environment.

The club's efforts culminated in its third grand final appearance in four years, and a resounding 3–0 win over Perth Wildcats to claim the 2021 National Basketball League Championship at John Cain Arena in front of a home crowd.

Melbourne United looked for ways to support and show its gratitude to Victorians, transferring community programs and engagements to digital forums, working on campaigns with charity partners and arranging for players to phone members for a chat.

RECOGNISING OUR PARTNERS

M&OP recognises the contributions of its valued hirers who continue to choose M&OP arenas and stadiums to stage events.

ARENA AND STADIUM HIRERS

- Collingwood Football Club
- Department of Premier and Cabinet
- Football Federation Australia
- Live Nation Australasia
- Melbourne City Football Club
- Melbourne Rebels Rugby Union
- Melbourne Storm Rugby League Club
- Melbourne United Basketball Club
- Melbourne Victory Football Club
- National Basketball League
- National Rugby League
- Netball Victoria
- Rugby Australia
- South East Melbourne Phoenix
- TEG Life Like Touring Australia
- Tennis Australia
- The Australian Ballet
- The Frontier Touring Company
- Western United Football Club

VENUE PARTNERS

- AAMI
- Capricorn Stages and Rigging
- Carlton & United Breweries
- Cirka
- Coca-Cola Amatil
- Delaware North
- Diageo Australia
- Microhire
- MSS Security
- O'Brien Group Australia
- Spark Event Group (formerly Event Workforce Group)
- St John Ambulance
- Unilever Australia (Streets)
- Tennis Australia
- Ticketek
- Ticketmaster

TENANTS

- Calibre Feasts
- Collingwood Football Club
- Imaging @ Olympic Park
- Melbourne Football Club
- Melbourne Rebels
- Melbourne Storm
- Melbourne Victory
- Olympic Park Sports Medicine Centre
- Tennis Australia
- Tennis Victoria

EVENTS POSTPONED

As at 30 June 2021, the following events that were scheduled to take place between 1 July 2020 and 30 June 2021 were postponed to a later date.

- 75th Australian Dancesport Championships
- Alanis Morissette
- Amy Shark
- Backstreet Boys
- Bat Out of Hell – The Rock Musical
- Delta Goodrem
- Faith No More
- Harry Styles
- Keith Urban
- Monster Truck Mania
- Ocean Alley
- Rod Stewart
- Steel Panther
- Stormzy
- Tame Impala
- The Offspring
- Victorian State Schools Spectacular
- WWE

EVENTS CANCELLED

Due to the state of emergency in Victoria resulting from the COVID-19 pandemic, the following events that were scheduled to take place between 1 July 2020 and 30 June 2021 were cancelled or relocated.

- Bon Iver
- Collingwood Magpies v West Coast Fever
- Collingwood Magpies v Melbourne Vixens
- Disney on Ice
- James Blunt
- Mahler 8: Symphony of a Thousand – Melbourne Symphony Orchestra
- Melbourne City v Newcastle Jets
- Melbourne ESports Open
- Melbourne Rebels v Crusaders
- Melbourne Storm v Wests Tigers
- Melbourne Storm v Cronulla-Sutherland Sharks
- Melbourne Storm v North Queensland Cowboys
- Melbourne Storm v Sydney Roosters
- Melbourne Storm v Brisbane Broncos
- Melbourne Storm v Wests Tigers
- Melbourne Storm v Gold Coast Titans
- Melbourne United v Cairns Taipans
- Melbourne United v Adelaide 36ers
- Melbourne United – semifinals
- Melbourne Victory v Perth Glory
- Melbourne Vixens v Adelaide Thunderbirds
- Niall Horan
- South East Melbourne Phoenix v Brisbane Bullets
- South East Melbourne Phoenix v Cairns Taipans
- 2020 Suncorp Super Netball season
- Western United v Macarthur Football Club
- Western United v Sydney Football Club
- The Wizard of Oz – Arena Spectacular

FIVE-YEAR FINANCIAL SUMMARY

The following table summarises the financial results of the Trust for the years ended 30 June.

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
INCOME FROM TRANSACTIONS	43,303	99,042	122,611	111,689	94,452
EXPENSES FROM TRANSACTIONS (EXCL. DEPRECIATION AND OTHER ECONOMIC FLOWS)	(56,982)	(70,795)	(81,417)	(78,337)	(69,192)
NET RESULT FROM TRANSACTIONS (EXCL. DEPRECIATION AND OTHER ECONOMIC FLOWS)	(13,679)	28,247	41,194	33,352	25,260
DEPRECIATION	(39,406)	(39,100)	(36,123)	(37,577)	(32,462)
OTHER ECONOMIC FLOWS INCLUDED IN THE NET RESULT	(50,458)	158	(4,801)	(4)	(12,794)
NET RESULT FOR THE PERIOD	(103,543)	(10,695)	270	(4,229)	(19,996)
CHANGE IN ASSET REVALUATION RESERVE	67,307	118,512	–	–	417,873
COMPREHENSIVE RESULT	(36,236)	107,817	270	(4,229)	397,877
TOTAL ASSETS	2,507,489	2,485,977	2,306,664	2,182,106	2,038,320
TOTAL LIABILITIES	(60,716)	(41,419)	(96,302)	(101,775)	(61,865)
NET ASSETS	2,446,773	2,444,558	2,210,362	2,080,331	1,976,455

COMPREHENSIVE OPERATING STATEMENT

The net result from transactions before depreciation and other economic flows for the year ended 30 June 2021 was a deficit of \$13.7 million (2020: \$28.2 million profit).

The net result for the period, including depreciation and other economic flows, totalled \$89.8 million (2020: \$39.3 million). This was a deficit of \$103.5 million (2020: \$10.7 million deficit).

Depreciation and amortisation expenses of \$39.4 million (2020: \$39.1 million) increased compared to the prior year, primarily due to the capitalisation of new assets.

Other economic flows was a \$50.5 million loss (2020: \$0.2 million gain), which reflects a net loss on non-financial assets due to building revaluation by the Valuer-General Victoria.

The asset revaluation reserve net movement was a \$67.3 million gain (2020: \$118.5 million gain). This reflects an increase in asset revaluation reserves for land of \$181.7 million and for right-of-use assets of \$0.1 million. It also reflects a decrease in the asset

revaluation reserve for buildings of \$114.5 million, which largely reflects the changes on non-financial assets due to land and buildings revaluation by the Valuer-General Victoria.

The comprehensive result for the period was a \$36.2 million loss (2020: \$107.8 million gain).

REVENUE

The Trust's Comprehensive Operating Statement for the year ended 30 June 2021 reports total income from transactions of \$43.3 million, which is a decrease of \$55.7 million (56.3 per cent) from the previous year.

The result was mainly due to a decline in sales of goods and services, which decreased by \$49.3 million (54.3 per cent) from 2019–20. The decrease in revenues was due to the ongoing impacts of COVID-19 on year-round revenue generating activity on the precinct. In addition, grants income was \$5.4 million lower than the prior year and lower cash reserves have yielded lower interest income by \$0.566 million when compared to the prior year.

EXPENSES

Total expenses from transactions, excluding depreciation totalled \$57.0 million (2020: \$70.8 million), costs of goods sold and purchases of services decreased by \$9.4 million (26.4 per cent) from the previous year. This can be related to the decrease in revenue as a result of the COVID-19 pandemic.

Employee expenses fell by \$1.8 million (8.6 per cent) due to the continued reduction in event activity. M&OP usually relies on a casual workforce to support the staging of events throughout the year. Casual staff were assisted this year with financial support payments of \$1.6 million to those whose earning capacity with M&OP was reduced by COVID-19 restrictions. These payments are included in the employee expenses for the year.

The Trust made a Sports Development Transfer of \$3 million during the year (2020: \$3 million).

BALANCE SHEET

The Trust's balance sheet as at 30 June 2021 reports net assets of \$2.447 billion (2020: \$2.445 billion).

ASSETS

Total cash and cash equivalents as at 30 June 2021 were \$65.8 million (2020: \$110.2 million). For financial reporting disclosure purposes, cash and cash equivalents include ticket sales for future events of \$37.3 million, and this value is also recognised as a liability.

The Trust held a net cash balance of \$28.6 million as at 30 June 2021 (2020: \$88.3 million). This excludes any monies relating to ticket sales for future events. The Trust did not hold any term deposits with a maturity date greater than three months at year end (2020: \$2.0 million).

Property, plant and equipment, and intangible assets increased by \$137.6 million. This increase includes a \$181.7 million increase in land value and a decrease of \$165 million in the value of buildings (of which \$50.6 million was recognised as a net loss on non-financial assets in the net result) to reflect a revaluation by the Valuer-General Victoria. The remaining increase represents additional assets from the completion of capital projects during the year, including recognition of the Melbourne Park Redevelopment Stage 3 works (\$143.6 million).

Prepayments decreased by \$69.6 million. This decrease can be mainly attributed to the transfer of the Melbourne Park Redevelopment Stage 3 from prepayments as the works are undertaken and completed. The balance in prepayments is largely relating to unspent funds for the Melbourne Park Redevelopment Stage 3 (\$33.3 million).

LIABILITIES

Payables increased by \$4.4 million (117.6 per cent) from 2019–20. This is largely related to capital grants received at the end of the year (\$3.025 million) and were recognised as contract liabilities due to the performance obligations not having been completed, and an increase in committed expenditure yet to be finalised (\$2.6 million). Other liabilities were \$47.8 million, representing an increase of \$14.2 million (2020: \$33.5 million), and can be mainly attributed to an increase in ticket monies held for future events to \$37.3 million as at 30 June 2021 (2020: \$23.9 million). Ticket sales for future events are also reported under cash and cash equivalents.

GOVERNANCE

The Trust was established on 5 October 1995 pursuant to the provisions of the *Melbourne and Olympic Parks Act 1985*. It was created by the merger of the National Tennis Centre Trust (established 13 November 1985) and the Olympic Park Committee of Management (formed in 1909). The Act is administered jointly and severally by the Premier, the Minister for Tourism, Sport and Major Events, and the Minister for Business Precincts, excluding sections 24–28, which are administered by the Minister for Energy, Environment and Climate Change.

THE PURPOSES OF THE ACT

The purposes of the Act, as outlined in Part 1, Section 3, are:

- to create a Melbourne and Olympic Parks Trust to administer the National Tennis Centre, Olympic Park and certain other land and facilities for the purposes of tennis, other sports, recreation and entertainment; and
- to provide for the management and operation of the National Tennis Centre and Olympic Park; and
- to provide for the use and promotion of the National Tennis Centre and Olympic Park; and
- to provide for the development, promotion, management, operation and use of sports, recreation and entertainment facilities and services in Victoria in addition to those at the National Tennis Centre and Olympic Park; and
- to provide for the management of Gosch's Paddock by the Trust as a committee of management under the *Crown Land (Reserves) Act*.

Under the Act, the Trust's primary functions are:

- to be responsible for the care, improvement, use and promotion of the National Tennis Centre and Olympic Park as facilities for tennis, other sports, recreation and entertainment;
- to operate the National Tennis Centre and Olympic Park efficiently and effectively to obtain the best possible use of the facilities;
- to provide planning for the operation of the National Tennis Centre and Olympic Park, which is coordinated between the two facilities;
- to be responsible for proper financial management of the National Tennis Centre and Olympic Park;

- to provide for the planning, development, promotion, management, operation and use of other sports, recreation and entertainment facilities and services in Victoria;
- to provide for the development, promotion, management, 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 operated or managed by the Trust;
- to be the committee of management under the *Crown Land (Reserves) Act 1978* for Gosch's Paddock;
- to accept appointment and act as a committee of management of Crown lands; and
- to carry out any other function conferred on or given to the Trust by or under this Act or any other Act.

STATEMENT OF CORPORATE GOVERNANCE

Procedures have been established for Trustees and at the executive management level to safeguard the Trust's assets and interests and to ensure integrity of reporting. The Trust acknowledges the need for all its Trustees and employees to maintain the highest standard of corporate governance practices and ethical conduct.

TRUSTEES

MR RUSSELL CAPLAN
CHAIR (TO 31 OCTOBER 2020)

MR PATRICK FLANNIGAN
CHAIR (APPOINTED CHAIR FROM 1 NOVEMBER 2020)

MS JACINDA DIXON

MS CATHERINE FRIDAY

MR RAY GUNSTON (FROM 27 JUNE 2021)

MR MARK HAWTHORNE

MS JAYNE HRDLICKA

MR SAMEER KUMAR (FROM 1 NOVEMBER 2020)

MS DIANA NICHOLSON

MS JACQUELINE PIRONE (FROM 20 DECEMBER 2020)

MR JOHN RIBOT-DE-BRESAC

MR KENNETH ROCHE AO (TO 26 JUNE 2021)

MS LIBERTY SANGER OAM

DR EMMA SHERRY (TO 20 DECEMBER 2020)

MS JANICE VAN REYK

FINANCE, AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk Committee oversees financial governance and financial reporting matters.

The Committee's role includes:

- monitoring financial management compliance issues, and in particular identifying risk areas and monitoring associated rectification plans
- reviewing the integrity of reporting and internal control structures
- overseeing financial reporting, governance and performance
- monitoring and reporting on audit and risk matters.

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

The members of the Committee during the year ended 30 June 2021 were:

MS CATHERINE FRIDAY
CHAIR
MR RUSSELL CAPLAN (TO 31 OCTOBER 2020)
MS JACINDA DIXON
MR PATRICK FLANNIGAN (FROM 1 NOVEMBER 2020)
MR RAY GUNSTON (FROM 27 JUNE 2021)
MS DIANA NICHOLSON
MR KENNETH ROCHE AO (TO 26 JUNE 2021)

All Finance, Audit and Risk Committee members are independent from management.

PEOPLE AND REMUNERATION COMMITTEE

The People and Remuneration Committee reviews and makes recommendations to the Trust in relation to the Victorian Government's policy requirements and assists the Trust in fulfilling its corporate governance obligations in relation to:

- Compensation and remuneration of the CEO and staff including compliance with policy requirements of the Victorian Government
- Organisational planning, diversity and inclusion, culture and good people management
- Board skills as part of good corporate governance

The members of the Committee during the year ended 30 June 2021 were:

MR PATRICK FLANNIGAN
CHAIR (CHAIR TO 24 NOVEMBER 2020)
MS LIBERTY SANGER OAM
CHAIR (APPOINTED CHAIR FROM 25 NOVEMBER 2020)
MR RUSSELL CAPLAN (TO 31 OCTOBER 2020)
MR MARK HAWTHORNE (FROM 25 NOVEMBER 2020)
MS DIANA NICHOLSON (TO 24 NOVEMBER 2020)
MR JOHN RIBOT-DE-BRESAC

STRATEGY AND STAKEHOLDER COMMITTEE

The Trust's Strategy and Stakeholder Committee provides independent and expert advice to assist the Trust in discharging its strategic planning responsibilities.

The Committee's roles include:

- monitoring and informing the Trust of developments and trends that may influence its ability to effectively achieve its goals
- overseeing the development of the corporate plan
- monitoring implementation of the corporate plan
- reviewing and making recommendations for approval of long-term business objectives and plans developed by the management team.

The members of the Committee during the year ended 30 June 2021 were:

MR RUSSELL CAPLAN
CHAIR (TO 31 OCTOBER 2020)
MS DIANA NICHOLSON
CHAIR (APPOINTED CHAIR FROM 25 NOVEMBER 2020)
MR PATRICK FLANNIGAN
MR MARK HAWTHORNE (FROM 25 NOVEMBER 2020)
MR SAMEER KUMAR (FROM 25 NOVEMBER 2020)
MR JOHN RIBOT-DE-BRESAC
MS LIBERTY SANGER OAM (FROM 25 NOVEMBER 2020)

EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE OFFICER AND ACCOUNTABLE OFFICER
JOHN HARNDEN AM

CHIEF OPERATING OFFICER
ANDREW TRAVIS

CHIEF FINANCIAL OFFICER
TRAVIS MARDLING

DIRECTOR OF COMMUNICATIONS AND STAKEHOLDER RELATIONS
KATHERINE OAKLEY

DIRECTOR OF PEOPLE STRATEGY
TANIA HANNATH (TO 22 JANUARY 2021)

DIRECTOR OF PEOPLE AND CULTURE
MEGAN O'REILLY (FROM 19 APRIL 2021)

CEO DIRECT REPORTS

The following table lists the CEO's direct reports as at 30 June 2021.

CHIEF EXECUTIVE OFFICER

JOHN HARNDEN AM

CHIEF FINANCIAL OFFICER	CHIEF OPERATING OFFICER	DIRECTOR OF COMMUNICATIONS AND STAKEHOLDER RELATIONS	DIRECTOR OF PEOPLE AND CULTURE	MANAGER OF STRATEGIC INSIGHTS AND DELIVERY	EXECUTIVE ASSISTANT
TRAVIS MARDLING	ANDREW TRAVIS	KATHERINE OAKLEY	MEGAN O'REILLY	BEN GOODWIN	DEIDRE COLVIN

OCCUPATIONAL HEALTH AND SAFETY

The Trust provides and maintains an environment that is safe for all who visit and work within the precinct and those who may be affected by its business operations. The Trust aims to eliminate risks to health and safety, and where elimination is not reasonably achievable, reduces risks to health and safety as is reasonably practicable.

This is achieved by:

- promoting a strong safety culture and integrating safety into all aspects of M&OP activities
- measuring and reporting on objectives and targets that control risk activities, increase awareness of health and safety, and prevent injuries and illnesses
- providing resources to plan and maintain a safe, healthy and supportive work environment
- maintaining physical infrastructure and public spaces in a condition that ensures they are safe to use.

To support this commitment, the Trust maintains certification to Australian and New Zealand Standard 4801 – Occupational health and safety management systems (AS/NZS 4801). This is underpinned by the Trust's leadership-driven safety culture, which encourages collaboration, consultation and ownership of safety at all levels. The Trust's commitment to continuous improvement is reflected in its Health and Safety Policy, which highlights the accountabilities shared across the workforce.

The Trust's key achievements for the year included:

- meeting its strategic safety target for employee and business partner Lost Time Injuries
- having its Occupational Health and Safety Management System (OHSMS) audited, achieving ongoing certification against the requirements of AS/NZS 4801
- identifying, reporting and controlling 558 hazards.

A copy of the Trust's Health and Safety Policy is available on the M&OP website at www.mopt.com.au

SUSTAINABILITY AND ENVIRONMENT

The Trust is committed to being an environmentally responsible organisation. It is working to reduce energy and water consumption and reduce the generation of waste, to benefit the people of Victoria.

Several activities were undertaken in 2020–21 to continually improve sustainability practices.

These included:

- isolation of all non-essential plant and equipment energy sources to eliminate unnecessary power consumption during the coronavirus (COVID-19) shutdown until site re-energisation in November 2020
- replacement of John Cain Arena external floodlights with LED fittings to reduce energy consumption
- upgrade of the UV system to reduce the energy consumed to sterilise recycled water
- installation of a diversion pit to collect an additional 12 million litres annually and reduce potable water consumption
- mulching of green waste for reuse on garden beds to reduce water consumption.

PUBLIC SECTOR VALUES AND EMPLOYMENT PRINCIPLES

The Trust is committed to two codes issued by the Victorian Public Sector Commission (VPSC), being the Code of Conduct for Directors of Victorian Public Entities and the Code of Conduct for Victorian Public Sector Employees.

Enterprise Agreements are in place and the Trust continues its ongoing commitment to the VPSC standards on equal opportunity, fair and reasonable treatment, merit in employment and reasonable avenues of redress.

WORKFORCE DATA

The Trust employed 97 full-time and part-time staff as at 30 June 2021 (2020:99). The number of full-time equivalent (FTE) staff at 30 June 2021 was 94 (2020:96). The number of fixed term and casual employees at 30 June 2021 was 496 (2020:520).

The breakdown of M&OP staff is as follows:

JUNE 2021 ONGOING	Total employees (headcount)	Full-time permanent (headcount)	Part-time permanent (headcount)	FTE	Fixed-term (headcount)	Casual (headcount)
MALE	334	52	3	54	9	270
FEMALE	277	34	8	40	9	226
EXECUTIVE	5	0	0	0	5	0
ADMINISTRATION AND SUPPORT STAFF	47	38	2	39	7	0
EVENT AND VENUE STAFF	559	48	9	55	6	496
TOTAL EMPLOYEES	611	86	11	94	18	496

JUNE 2020 ONGOING

MALE	347	50	4	53	9	284
FEMALE	287	40	5	43	6	236
EXECUTIVE	5	0	0	0	5	0
ADMINISTRATION AND SUPPORT STAFF	46	39	1	39	6	0
EVENT AND VENUE STAFF	583	51	8	57	4	520
TOTAL EMPLOYEES	634	90	9	96	15	520

When delivering events across the precinct, the M&OP workforce is complemented by contractors from key partners including Spark Event Group, Capricorn Stages and Rigging, Cirka, Microhire, Delaware North, MSS Security, O'Brien Group Australia, St John Ambulance and Ticketek.

DIVERSITY AND INCLUSION

M&OP is committed to initiatives that encourage diversity and support inclusion. This year, efforts continued towards fostering a culture that supports diversity and inclusion, and a work environment in which staff feel safe, respected, included and acknowledged.

The following table shows the breakdown of M&OP staff.

JUNE 2021	Total workforce	Total permanent workforce	Permanent workforce manager level	Total casual workforce
MALE	55%	56%	51%	54%
FEMALE	45%	44%	49%	46%

JUNE 2020

MALE	55%	55%	56%	55%
FEMALE	45%	45%	44%	45%

OTHER DISCLOSURES

LOCAL JOBS FIRST

The *Local Jobs First Act 2003* was amended in August 2018 to bring together the Victorian Industry Participation Policy (VIIP) and Major Projects Skills Guarantee (MPSG), which were previously administered separately. The Trust is required to apply the Local Jobs First policy for Metropolitan Melbourne and statewide projects valued at \$3 million or more, and projects in regional Victoria valued at \$1 million or more.

LOCAL JOBS FIRST – STANDARD PROJECTS

During 2020–21, the Trust completed two standard Local Jobs First projects that fell within the VIIP because they were valued at more than \$3 million. Both procurement projects commenced and were completed in the 2020–21 financial year. These projects were valued at an estimated combined total of \$15 million.

LOCAL JOBS FIRST – STRATEGIC PROJECTS

During 2020–21, the Trust did not commence or complete any strategic Local Jobs First projects.

SOCIAL PROCUREMENT FRAMEWORK

In 2018, the Victorian Government released a Social Procurement Framework (SPF) that applies to all government agencies subject to the Standing Directions for the Minister for Finance. The Trust has developed a strategy that aligns with the SPF, with six social and sustainable objectives that it pursues during relevant procurement activities and projects. The following table outlines the SPF objectives it is pursuing.

SPF OBJECTIVE	SPF OUTCOME
OPPORTUNITIES FOR VICTORIAN ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE	PURCHASING FROM VICTORIAN ABORIGINAL AND TORRES STRAIT ISLANDER BUSINESSES EMPLOYMENT OF VICTORIAN ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE BY SUPPLIERS TO THE VICTORIAN GOVERNMENT
OPPORTUNITIES FOR VICTORIANS WITH DISABILITY	PURCHASING FROM VICTORIAN SOCIAL ENTERPRISES AND AUSTRALIAN DISABILITY ENTERPRISES
WOMEN'S EQUALITY AND SAFETY	ADOPTION OF FAMILY VIOLENCE LEAVE BY VICTORIAN GOVERNMENT SUPPLIERS GENDER EQUALITY WITHIN VICTORIAN GOVERNMENT SUPPLIERS
SUPPORTING SAFE AND FAIR WORKPLACES	PURCHASING FROM SUPPLIERS THAT COMPLY WITH INDUSTRIAL RELATIONS LAWS AND PROMOTE SECURE EMPLOYMENT
ENVIRONMENTALLY SUSTAINABLE OUTPUTS	PROJECT-SPECIFIC REQUIREMENTS TO USE SUSTAINABLE RESOURCES AND TO MANAGE WASTE AND POLLUTION
ENVIRONMENTALLY SUSTAINABLE BUSINESS PRACTICES	ADOPTION OF SUSTAINABLE BUSINESS PRACTICES BY SUPPLIERS TO THE VICTORIAN GOVERNMENT

During 2020–21, the Trust commenced and completed two procurement projects that involved social procurement objectives, and these had a combined value of \$15 million. During 2020–21, the Trust also engaged with three other certified social benefit suppliers for a combined total of \$756,393.

GOVERNMENT ADVERTISING EXPENDITURE

In 2020–21, there was one advertising campaign with a total spend of \$317,479 (exclusive of GST). This campaign was in relation to the opening of CENTREPIECE at Melbourne Park.

CONSULTANCY EXPENDITURE

In 2020–21, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020–21 in relation to these consultancies was \$214,161 (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee	Total expenditure 2020–21 (excluding GST)	Future commitments
CITY COLLECTIVE	AAMI PARK ENHANCEMENTS CONSULTANCY SERVICES	OCTOBER 2020	JUNE 2021	\$58,000	\$58,000	–
COLGAN BAUER	COMMERCIAL RIGHTS CONSULTING	OCTOBER 2020	OCTOBER 2020	\$20,000	\$20,000	–
KORN FERRY	HUMAN RESOURCE CONSULTING	MARCH 2020	DECEMBER 2020	\$58,511	\$58,511	–
PETER HARCOURT PTY LTD	COVID-19 MEDICAL CONSULTANCY SERVICES	SEPTEMBER 2020	JUNE 2021	\$47,250	\$47,250	–
RELIANCE RISK	COVID-19 RISK CONSULTANCY SERVICES	SEPTEMBER 2020	JUNE 2021	\$30,400	\$30,400	–

DETAILS OF CONSULTANCIES LESS THAN \$10,000

In 2020–21, there were two consultancies engaged during the year where the total fees payable to the individual consultant were less than \$10,000. The total expenditure incurred during 2020–21 in relation to these consultancies was \$7,593 (exc. GST).

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the 2020–21 reporting period, the Trust had a total ICT expenditure of \$4,263,000 with the details shown below.

All operational ICT expenditure

Business As Usual (BAU) ICT expenditure (\$'000)	IVT expenditure related to projects to create or enhance ICT capabilities		
	Non-Business As Usual (Non-BAU) ICT expenditure (Total = operational expenditure and capital expenditure)	Operational expenditure (\$'000)	Capital expenditure (\$'000)
2,128	2,135	7	2,128

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

FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* allows the public a right of access documents held by the Trust. An applicant has a right to apply for access to documents held by the Trust. The Act allows the Trust to refuse access, either fully or partially, to certain documents or information.

When making a Freedom of Information (FOI) request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

An application fee of \$29.60 applies. Access charges may also be payable if the document pool is large, and the search for material time-consuming.

FOI requests can be lodged at foi@mopt.vic.gov.au. Access to documents can also be obtained through a written

request to the Trust's Freedom of Information team, as detailed in Section 17 of the Act.

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

Freedom of Information Officer
Melbourne and Olympic Parks Trust
GPO Box 4611
Melbourne Vic 3001

During 2020–21, the Trust received zero Freedom of Information requests.

COMPLIANCE WITH THE BUILDING ACT 1993

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

COMPETITIVE NEUTRALITY POLICY

The Trust regularly reviews whether its activities are subject to the requirements of the National Competition Policy, including compliance with the requirements of the policy statement 'Competitive Neutrality Policy Victoria' and takes necessary action to implement competitive neutrality measures where required.

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURE ACT 2012

The Trust is committed to the aims and objectives of the *Public Interest Disclosure Act 2012*. It recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal improper conduct. It does not tolerate improper conduct by the organisation, its employees, officers or members, nor the taking of detrimental action in reprisal against those who come forward to disclose such conduct.

According to the Independent Broad-based Anti-corruption Commission (IBAC), the Trust is not permitted to receive disclosures made under the Act.

If you wish to make a disclosure about the Trust, its officers, members or employees, you will need to make that disclosure directly to IBAC. If the Trust believes a disclosure may be a public interest disclosure made in accordance with the Act, it will ask you to make that disclosure to IBAC. IBAC will deal with the disclosure. Procedures in relation to the *Public Interest Disclosure Act 2012* are available on the Trust's website.

COMPLIANCE WITH THE DISABILITY ACT 2006

The Trust is committed to providing equitable, dignified access to goods, services and premises used by the public. In doing so, we are continuously looking to improve the visitor experience for all our guests.

Throughout this financial year, the Trust adjusted operations and event plans to ensure COVID-19 safety for all persons visiting and working in the Melbourne & Olympic Parks precinct. This included ensuring processes, systems and services were in place in the COVID-19 environment for people with disabilities.

REDUCING BARRIERS TO ACCESSING GOODS, SERVICES AND FACILITIES

The Trust strives to be an industry leader, domestically and internationally, by providing best-practice universal access. The Trust was a key contributor in the development of the Live Entertainment Industry Forum COVIDSafe Guidelines, including the Disability Access, and Inclusion guidelines. Training and inductions for all staff

and contractors incorporated disability awareness in the COVID-19 environment.

Universal design principles have been an important aspect of the extensive Melbourne Park Redevelopment. This proactive work ensures the design of new buildings and upgraded infrastructure focuses on improving access for all Victorians.

Melbourne Park Redevelopment Stage Three has continued to improve accessibility across the precinct through linking entrances and pathways with accessible ramps and accessible connections, as well as providing all-gender accessible toilet facilities.

CENTREPIECE at Melbourne Park (a new event venue and function space) includes a Changing Places facility, parents room and a multifaith facility. CENTREPIECE also provides for hearing augmentation, lower-height accessible service counters and furniture, handrails, ramps, accessible staging, and chairs and carer seats within the level 3 auditorium.

The new Show Court Arena provides easy access to the floor and artist change rooms, hearing augmentation, and dedicated accessible bays within the seating bowl.

PROMOTING INCLUSION AND PARTICIPATION IN THE COMMUNITY

The Trust recognises its role in building strong and cohesive communities, and in promoting inclusion of the broadest possible spectrum of individuals. M&OP has a Disability Inclusion Action Plan, which guides its approach and alignment to the Department of Social Services National Disability Strategy and fulfils legislative obligations under the *Disability Act 2006*, the *Equal Opportunity Act 2010* and the *Disability Discrimination Act 1995 (Cth)*.

ACHIEVING TANGIBLE CHANGE IN ATTITUDES AND PRACTICES THAT DISCRIMINATE AGAINST PEOPLE WITH DISABILITY

The Trust's Diversity and Inclusion Statement is committed to actively fostering these behaviours. We measure progress through our biannual Alignment and Engagement Survey and People Matters Survey. The Trust has developed and delivered in-person and online training to our event delivery customer-facing workforce, and has incorporated customer needs for patrons of all abilities into all staff training programs. Additionally, Toolbox Safety sessions, staff training, workforce briefings and information have focused on disability awareness across the precinct. Our leaders and Human Resources team actively work with current employees with disabilities to reduce barriers by putting resources and support in place.

ADDITIONAL DEPARTMENTAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, relevant information has been retained by the Trust and is available on request, subject to the provisions of the *Freedom of Information Act 1982*.

Information is available on request from:

Melbourne and Olympic Parks Trust
Phone: (03) 9286 1600
Email: enquiries@mopt.vic.gov.au

MELBOURNE AND OLYMPIC PARKS TRUST FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Patrick Flannigan, on behalf of the Responsible Body, certify that the Melbourne and Olympic Parks Trust has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Patrick Flannigan
Chair, Melbourne and Olympic Parks Trust

COMPLIANCE WITH DATAVIC ACCESS POLICY

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, information included in this Annual Report will also be available at www.data.vic.gov.au in electronic readable format.

GOSCH'S PADDOCK

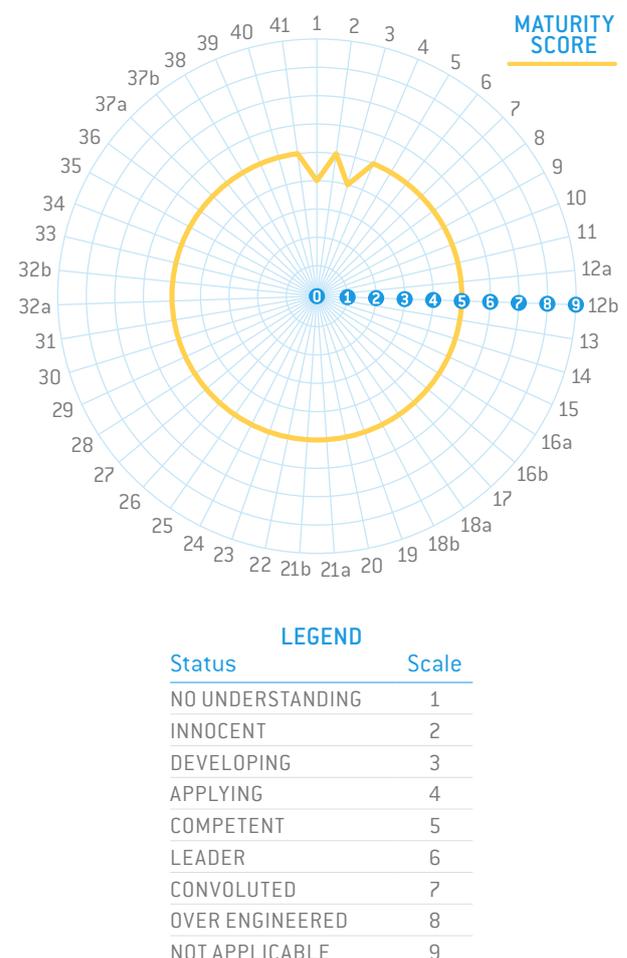
To ensure compliance with the Victorian Government's Return to Play guidelines, the Trust worked in partnership with its tenant clubs to isolate areas of the precinct for the purposes of training. This included some areas of Gosch's Paddock, which the Trust started to fence off from public access at times. While these areas have become off-limits for public access during training, this additional control was added to limit potential transmission of COVID-19 by preventing potential interaction between the playing groups and members of the public. Outside of training times, these fenced areas have been available for public use.

As a result, notwithstanding commitments to sporting teams for the purposes of training, Gosch's Paddock was open at all times throughout 2020–21.

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT

The following section summarises the Trust's assessment of 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. These requirements can be found on the Department of Treasury and Finance (DTF) website (www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

Utilising the Department of Jobs, Precincts and Regions (DJPR) template and rating system, as approved by DTF, the Trust's target maturity rating is 'Applying'. The Trust has largely outperformed this target through consistent application of AMAF requirements. Under the DJRP template, the highest desired rating is 'Leader', with ratings higher than this representing inefficient allocation of resources. The Trust has an annual process to continually review targets and performance. A strategic asset management project has been established for 2021–22 to further review and improve asset management maturity.



MELBOURNE AND OLYMPIC PARKS TRUST

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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DECLARATION IN THE FINANCIAL STATEMENTS

In accordance with a resolution of the members of the Melbourne and Olympic Parks Trust in our opinion:

The financial statements for the 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.

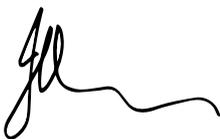
We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of the Trust at 30 June 2021.

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

We authorise the attached financial statements for issue on 27 October 2021.



Patrick Flannigan
Member of Responsible Body
Chair
Melbourne and Olympic Parks Trust



John Harnden AM
Member of Responsible Body
Chief Executive Officer
Melbourne and Olympic Parks Trust



Travis Mardling
Chief Financial Officer
Melbourne and Olympic Parks Trust

INDEPENDENT AUDITOR'S REPORT



To the Members of the Melbourne and Olympic Parks Trust

Opinion	<p>I have audited the financial report of the Melbourne and Olympic Parks Trust (the trust) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <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>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other information	<p>The Members of the trust are responsible for the other information, which comprises the information in the trust's annual report 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>

Members' responsibilities for the financial report	<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>
Auditor's responsibilities for the audit of the financial report	<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"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members • 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.

Auditor's responsibilities for the audit of the financial report (Continued)	<ul style="list-style-type: none"> • 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. <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
4 November 2021



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE AND OLYMPIC PARKS TRUST
COMPREHENSIVE OPERATING STATEMENT
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
INCOME FROM TRANSACTIONS			
SALES OF GOODS AND SERVICES	2.1	41,572	90,915
INTEREST		215	781
OTHER INCOME	2.2	1,516	7,346
TOTAL INCOME FROM TRANSACTIONS		43,303	99,042
EXPENSES FROM TRANSACTIONS			
COST OF GOODS SOLD/DISTRIBUTED	3.1	1,424	7,172
PURCHASE OF SERVICES	3.2	24,776	28,408
EMPLOYEE BENEFITS	3.3	19,341	21,171
DEPRECIATION AND AMORTISATION	4.5.2	39,406	39,100
OTHER OPERATING EXPENSES	3.5	8,441	11,044
SPORTS DEVELOPMENT TRANSFER	3.6	3,000	3,000
TOTAL EXPENSES FROM TRANSACTIONS		96,388	109,895
NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		(53,085)	(10,853)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS	8.1.1	(50,565)	113
NET GAIN/(LOSS) ARISING FROM REVALUATION OF LONG SERVICE LIABILITY	8.1.2	107	45
TOTAL OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT		(50,458)	158
NET RESULT		(103,543)	(10,695)
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE NET RESULT			
CHANGE IN ASSET REVALUATION RESERVE	4.5.4	67,307	118,512
TOTAL OTHER COMPREHENSIVE INCOME		67,307	118,512
COMPREHENSIVE RESULT		(36,236)	107,817

The accompanying notes form part of these financial statements.

MELBOURNE AND OLYMPIC PARKS TRUST
BALANCE SHEET
 AS AT 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS	4.1	65,844	110,235
RECEIVABLES	4.2	4,726	4,902
OTHER FINANCIAL ASSETS	4.3	–	2,000
TOTAL FINANCIAL ASSETS		70,570	117,137
NON-FINANCIAL ASSETS			
PREPAYMENTS	4.4	34,167	103,729
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	4.5	2,402,752	2,265,111
TOTAL NON-FINANCIAL ASSETS		2,436,919	2,368,840
TOTAL ASSETS		2,507,489	2,485,977
LIABILITIES			
PAYABLES	5.1	8,102	3,724
EMPLOYEE RELATED PROVISIONS	3.4	4,850	4,156
OTHER LIABILITIES	5.2	47,764	33,539
TOTAL LIABILITIES		60,716	41,419
NET ASSETS		2,446,773	2,444,558
EQUITY			
ACCUMULATED SURPLUS		65,591	169,134
RESERVES		1,009,003	941,696
CONTRIBUTED CAPITAL		1,372,179	1,333,728
NET WORTH		2,446,773	2,444,558

The accompanying notes form part of these financial statements.

MELBOURNE AND OLYMPIC PARKS TRUST
STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	Physical asset revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
BALANCE AT 30 JUNE 2019		823,184	179,829	1,207,351	2,210,364
NET RESULT FOR THE YEAR		–	(10,695)	–	(10,695)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS		–	–	126,377	126,377
REVALUATION OF ASSETS	4.5.4	118,512	–	–	118,512
BALANCE AT 30 JUNE 2020		941,696	169,134	1,333,728	2,444,558
NET RESULT FOR THE YEAR		–	(52,963)	–	(52,963)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS		–	–	38,451	38,451
REVALUATION OF ASSETS	4.5.4	67,307	(50,580)	–	16,727
BALANCE AT 30 JUNE 2021		1,009,003	65,591	1,372,179	2,446,773

The accompanying notes form part of these financial statements.

MELBOURNE AND OLYMPIC PARKS TRUST

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
RECEIPTS FROM CUSTOMERS		47,309	103,754
CUSTOMER RECEIPTS ON BEHALF OF SUPPLIERS		32,402	132,445
INTEREST RECEIVED		215	781
GOODS AND SERVICES TAX RECEIVED FROM THE ATO		319	–
OTHER RECEIPTS		1,516	7,346
TOTAL RECEIPTS FROM OPERATING ACTIVITIES		81,761	244,326
PAYMENTS			
PAYMENTS TO SUPPLIERS AND EMPLOYEES		(54,793)	(76,490)
PAYMENTS TO SUPPLIERS ON BEHALF OF CUSTOMERS		(19,086)	(184,231)
GOODS AND SERVICES TAX PAID TO THE ATO		–	(3,216)
PAYMENTS TO GOVERNMENT (SPORTS DEVELOPMENT TRANSFER)		(3,000)	(3,000)
TOTAL PAYMENTS FROM OPERATING ACTIVITIES		(76,879)	(266,937)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	6.2	4,882	(22,611)
CASH FLOWS FROM INVESTING ACTIVITIES			
PURCHASES OF NON-FINANCIAL ASSETS		(161,359)	(111,954)
PREPAYMENTS FOR NON-FINANCIAL ASSETS		69,788	(38,598)
RECEIPTS OF OTHER FINANCIAL ASSETS		2,000	72,200
SALES OF NON-FINANCIAL ASSETS		2,031	2
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(87,540)	(78,350)
CASH FLOWS FROM FINANCING ACTIVITIES			
RECEIPTS FROM GOVERNMENT (CAPITAL)		38,451	126,377
REPAYMENT OF PRINCIPAL PORTION OF LEASE LIABILITIES		(184)	(180)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		38,267	126,197
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(44,391)	25,236
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		110,235	84,999
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	6.1	65,844	110,235

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

1. ABOUT THIS REPORT

1.1 REPORTING ENTITY

The financial statements cover the Trust as an individual reporting entity. The Trust is a government agency of the State of Victoria, established pursuant to the provisions of the *Melbourne and Olympic Parks Act 1985*.

Its principal address is:

Melbourne and Olympic Parks Trust
Batman Avenue
Melbourne VIC 3001

OBJECTIVES AND FUNDING

The *Melbourne and Olympic Parks Act 1985* outlines that the purpose of the Melbourne and Olympic Parks Trust is to administer, manage and promote the use of Melbourne and Olympic Parks for the purposes of tennis, other sports, entertainment and recreation.

The Trust in its planning delivers on this purpose by ensuring that the precinct is:

- accessible, well utilised and valued by Victorians;
- recognised as being of international standing for tennis, sport and entertainment;
- supporting Victoria's broader sport, tourism and major events strategies; and
- financially sustainable.

1.2 BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

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

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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are

based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements and assumptions made by management in the application of Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment, (refer to Note 4.5); and
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4).

These financial statements are presented in Australian dollars, the functional and presentation currency of the Trust.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2021 and the comparative information presented for the year ended 30 June 2020.

COVID-19 IMPACT ON GOING CONCERN

The Trust has been significantly impacted by the COVID-19 pandemic since March 2020. The precinct has only been able to host limited events (including a scaled-down Australian Open in February 2021) in the current climate, and recovery of the industry is likely to be gradual and slow. As a result, there has been a significant reduction in revenue being generated by the business since the onset of the pandemic.

The Trust built and maintained a strong financial position prior to the onset of the pandemic, enabling the Trust to sustain operations, support employee payments and meet commitments over this period.

To ensure the going concern of the Trust, a request was made to the Minister for Tourism, Sports and Major Events on 21 July 2021 to provide the Trust with a letter of support.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The Minister has since returned a letter of support to the Trust on 12 August 2021, advising that the Trust will be provided with the financial support necessary to ensure the ongoing financial sustainability of the Trust. On this basis, management is comfortable that the financial statements have been prepared on a going-concern basis.

1.3 SCOPE AND PRESENTATIONS OF FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENT

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

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

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

- gains and losses from disposals of non-financial assets;
- revaluations and impairments of non-financial physical and intangible assets; and
- revaluation of long service leave liability

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

Refer to Note 8.8 *Glossary* for the definitions of 'net result from transactions', 'other economic flows included in net result' and 'other economic flows – other comprehensive income'.

BALANCE SHEET

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

Current and non-current assets or liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes where relevant.

Cash held on behalf of customers represents cash received for event ticket sales, which is held at bank from the time tickets are purchased and paid out to the hirer after the event has taken place. A corresponding liability to customers is also held and included within other liabilities.

CASH FLOW STATEMENT

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

STATEMENT OF CHANGES IN EQUITY

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

1.4 EVENTS AFTER REPORTING DATE

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Trust and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events that occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed in the reporting period. Note that disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions that arose after the end of the reporting period and that may have a material impact on the results of subsequent reporting periods.

1.5 GOODS AND SERVICES TAX

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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

1.6 INCOME TAXES

The Australian Taxation Office has deemed the Trust to be a 'Public Authority' within the terms of Section 50–25 of the *Income Tax Assessment Act 1997* and therefore any income shall be exempt from income tax. The Trust is not subject to the National Tax Equivalent Regime. No provisions for income taxes payable have been raised.

1.7 COMPARATIVES

Where applicable, certain reclassifications have been made to comparative figures to align with presentation in the current year.

1.8 ROUNDING OF AMOUNTS

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

1.9 STATEMENT OF COMPLIANCE

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)*, applicable Australian Accounting Standards (AAS), which includes the Australian accounting standards 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.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 8.8.

These annual financial statements were authorised for issue by the Trustees on 27 October 2021.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

2. INCOME FROM TRANSACTIONS

2.1 SALES OF GOODS AND SERVICES	2021 \$'000	2020 \$'000
VENUE HIRE	10,751	35,189
ON-CHARGES TO HIRERS	17,880	23,024
CATERING	3,776	12,643
COMMERCIAL	4,113	11,719
TENANCY RENTAL	3,336	3,656
OTHER	1,716	4,684
	<u>41,572</u>	<u>90,915</u>

The sale of goods and services 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 the services to the customer are satisfied, which is generally when an event has occurred.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to 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.

Customers are invoiced and revenue is recognised when the goods or services are delivered and accepted by customers. In rare circumstance where there may be a change in the scope of services provided, the customer will be provided with a new contract for the additional services to be rendered and revenue is recognised consistent with accounting policy above.

Venue hire revenues are recognised in the financial year when the event occurs. Until the event has occurred, any amounts billed to the hirer in advance are recognised as income received in advance (refer to note 5.2 Other Liabilities).

On-charges to hirers revenues are recognised in the financial year when the event occurs and the Trust have provided the goods and services as part of delivering the event.

In some circumstances, the Trust may require a prepayment from the hirer to cover estimated event costs. Until the event has occurred, any amounts billed to the hirer in advance are recognised as income received in advance (refer to note 5.2 Other Liabilities).

Should the event cancel, the Trust determines any fees applicable, which may include on-charges for costs that have been incurred in preparation of the event that have been unavoidable. In these cases, revenue is recognised in the financial period that the event has been cancelled.

Catering revenues consists of retail catering for patrons attending the event, corporate catering at the event and hirer catering.

Retail catering revenues are recognised in the financial year only when the event occurs. Corporate and hirer catering revenues are recognised in the financial year when the event occurs. In some circumstances, the Trust may require a prepayment from the hirer to cover estimated catering costs. Until the event has occurred, any amounts billed to the hirer in advance are recognised as income received in advance (refer to note 5.2 Other Liabilities).

Should the event cancel, the Trust will invoice the corporate client or hirer for catering costs already incurred, and revenue will be recognised in the financial period that the event has been cancelled.

Other revenues are recognised in the financial year when the Trust have provided the goods and services.

During 2020–21, the Trust provided financial relief to tenants and hirers of \$5.1 million (2020: \$3.3 million), including

- tenant rent relief, \$3.1 million (2020: \$3 million); and
- reductions in event costs either having been waived or borne by the Trust, \$2 million (2020: \$0.3 million).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

LEASED ASSETS: THE TRUST AS LESSOR

Commercial and tenancy rental revenues are recognised in the financial year and periods as per the agreements. Rental income from leases is recognised on a straight line basis over the term of the relevant lease. The Trust may choose to defer revenue recognition as a result of unforeseen circumstances affecting normal business activity and recognise revenue in a future period.

INTEREST

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.

	2021	2020
	\$'000	\$'000
2.2 OTHER INCOME		
DELAWARE NORTH AUSTRALIA CAPITAL CONTRIBUTION	–	462
GOVERNMENT GRANTS	1,514	6,879
CANCELLED EVENT TICKET INCOME	2	5
	<u>1,516</u>	<u>7,346</u>

GRANTS

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 are accounted for as revenue from contracts with customers in accordance with AASB 15.

	2021	2020
	\$'000	\$'000
GOVERNMENT GRANTS		
INCOME RECOGNISED UNDER AASB 1058 AND AASB 15:		
OTHER SPECIFIC PURPOSE GRANTS	1,514	6,879
TOTAL GRANTS	<u>1,514</u>	<u>6,879</u>

GRANTS RECOGNISED UNDER AASB 1058

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Trust has an unconditional right to receive cash that usually coincides with receipt of cash. On initial recognition of the asset, the Trust recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16;
- a financial instrument, in accordance with AASB 9; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

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.

During the year ending 30 June 2021, the Trust received and recognised grant income for completed work towards the replacement of cladding for the National Tennis Centre (\$1.384 million), AAMI Park Enhancements Consultancy Services (\$60,000), Victoria Together (\$50,000) and the Slater and Smith statues (\$20,000).

GRANTS RECOGNISED UNDER AASB 15

Income from grants that are enforceable and, with sufficiently specific performance obligations, are accounted for as revenue from contracts with customers under AASB 15. The Trust did not have any grant income recognised under AASB 15 for the year ended 30 June 2021.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. Where the performance obligations is satisfied but not yet billed, a contract asset is recorded.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

3. EXPENSES FROM TRANSACTIONS

Payments to third parties are recognised as an expense in the reporting period in which they are paid or are payable.

3.1 COST OF GOODS SOLD/ DISTRIBUTED	2021 \$'000	2020 \$'000
VENUE HIRE	46	1,902
CATERING	1,089	4,532
OTHER	289	738
	1,424	7,172

Purchase costs of goods sold/distributed are recognised as an expense in the reporting period in which they are incurred.

3.2 PURCHASE OF SERVICES	2021 \$'000	2020 \$'000
ADMINISTRATION	3,921	4,943
EVENT CONTRACTORS	15,453	16,801
UTILITIES	3,892	4,421
OTHER	1,510	2,243
	24,776	28,408

Purchase of services are recognised as an expense in the reporting period in which they are incurred.

3.3 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	2021 \$'000	2020 \$'000
SALARIES, WAGES, ANNUAL LEAVE AND LONG SERVICE LEAVE	17,883	19,647
DEFINED CONTRIBUTION SUPERANNUATION EXPENSE	1,458	1,508
TERMINATION BENEFITS	–	16
	19,341	21,171

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

SUPERANNUATION

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

Superannuation contributions for the reporting period are included as part of employee benefits and on-costs in the comprehensive operating statement of the Trust.

The name and details of the major employee superannuation funds and contributions made by the Trust during the reporting period are as follows:

	2021 \$'000	2020 \$'000
AUSTRALIAN SUPER	646	746
HOSTPLUS	193	193
RETAIL EMPLOYEES SUPERANNUATION PTY LTD	100	101
OTHERS	519	468
TOTAL	1,458	1,508

At the reporting date, there were nil superannuation contributions outstanding (2020: \$109,910).

3.4 EMPLOYEE BENEFITS IN THE BALANCE SHEET

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

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

The Department of Treasury and Finance 2008 Long Service Leave discounting model has been adopted for use in 2020–21, and replaces the 2004 discounting model used in previous years. For the purpose of determining the net gain/(loss) arising from revaluation of long service liability, the 2004 model has been used to enable current year data to be applied to comparatives.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	2021 \$'000	2020 \$'000
CURRENT PROVISIONS		
ANNUAL LEAVE		
UNCONDITIONAL AND EXPECTED TO BE SETTLED WITHIN 12 MONTHS (i)	480	423
UNCONDITIONAL AND EXPECTED TO BE SETTLED AFTER 12 MONTHS (ii)	609	510
LONG SERVICE LEAVE		
UNCONDITIONAL AND EXPECTED TO BE SETTLED WITHIN 12 MONTHS (i)	266	1,400
UNCONDITIONAL AND EXPECTED TO BE SETTLED AFTER 12 MONTHS (ii)	2,374	996
	<u>3,729</u>	<u>3,329</u>
PROVISIONS FOR ON-COSTS		
UNCONDITIONAL AND EXPECTED TO BE SETTLED WITHIN 12 MONTHS (i)	128	286
UNCONDITIONAL AND EXPECTED TO BE SETTLED AFTER 12 MONTHS (ii)	481	241
	<u>609</u>	<u>527</u>
TOTAL CURRENT PROVISIONS	<u>4,338</u>	<u>3,856</u>
NON-CURRENT PROVISIONS		
LONG SERVICE LEAVE (ii)	442	261
ON-COSTS (ii)	70	39
TOTAL NON-CURRENT PROVISIONS	<u>512</u>	<u>300</u>
TOTAL PROVISIONS	<u>4,850</u>	<u>4,156</u>

(i) The amounts disclosed are nominal amounts.

(ii) The amounts disclosed are discounted to present values.

3.4.1 EMPLOYEE BENEFITS AND ON-COSTS

EMPLOYEE BENEFITS

(i) Wages, salaries and annual leave

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

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

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

(ii) Long service leave

A liability for long service leave (LSL) is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service.

All unconditional vested LSL representing seven years or greater of continuous service is disclosed in accordance with AASB 101 *Presentation of Financial Statements*, as a current liability. This recognition is determined even though 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. LSL is recognised in the provision for employee benefits.

The components of this current LSL liability are measured at:

- nominal value – component that the Trust expects to wholly settle within 12 months; and
- present value – component that the Trust does not expect to wholly settle within 12 months.

Conditional LSL (representing less than seven years of continuous service for staff) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3.4.2 EMPLOYEE BENEFIT ON-COSTS

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

	2021 \$'000	2020 \$'000
CURRENT EMPLOYEE BENEFITS		
ANNUAL LEAVE	1,089	933
LONG SERVICE LEAVE	2,640	2,396
NON-CURRENT EMPLOYEE BENEFITS		
LONG SERVICE LEAVE	443	261
TOTAL EMPLOYEE BENEFITS	4,172	3,590
CURRENT ON-COSTS	608	527
NON-CURRENT ON-COSTS	70	39
TOTAL ON-COSTS	678	566
TOTAL EMPLOYEE BENEFITS AND ON-COSTS	4,850	4,156

3.4.3 MOVEMENT IN ON-COST PROVISIONS	On-costs 2021 \$'000	On-costs 2020 \$'000
OPENING BALANCE	566	590
ADDITIONAL PROVISIONS RECOGNISED	232	172
REDUCTIONS ARISING FROM PAYMENTS/OTHER SACRIFICES OF FUTURE ECONOMIC BENEFITS	(123)	(190)
REDUCTIONS RESULTING FROM RE-MEASUREMENT OR SETTLEMENT WITHOUT COST	(13)	(13)
UNWIND OF DISCOUNT AND EFFECT OF CHANGES IN THE DISCOUNT RATE	16	7
CLOSING BALANCE	678	566
CURRENT	608	527
NON-CURRENT	70	39
CLOSING BALANCE	678	566

3.5 OTHER OPERATING EXPENSES	Notes	2021 \$'000	2020 \$'000
MAINTENANCE		6,078	7,588
LEASE EXPENSES	6.3	35	42
INTEREST EXPENSE ON LEASES	6.3	7	25
PURCHASE OF SUPPLIES AND CONSUMABLES		2,229	1,786
OTHER		92	1,603
		8,441	11,044

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised as an expense in the reporting period in which they are incurred.

3.6 SPORTS DEVELOPMENT TRANSFER	2021 \$'000	2020 \$'000
PAYMENT TO VICTORIAN GOVERNMENT IN SUPPORT OF SPORT AND RECREATION PROGRAMS	3,000	3,000
	3,000	3,000

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

4. ASSETS

The Trust controls infrastructure and other investments that are 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.

4.1 CASH AND CASH EQUIVALENTS	Notes	2021 \$'000	2020 \$'000
CASH FLOATS HELD		86	84
CASH AT BANK		28,504	86,213
CASH AT BANK (TICKET SALES FOR FUTURE EVENTS – NOT AVAILABLE FOR USE)	5.2	37,254	23,938
TOTAL CASH AND CASH EQUIVALENTS		65,844	110,235

Cash and cash equivalents, comprise cash on hand, 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.

4.2 RECEIVABLES	2021 \$'000	2020 \$'000
CURRENT CONTRACTUAL		
ACCRUED REVENUE	92	425
TRADE AND OTHER RECEIVABLES (i)	3,545	1,744
ALLOWANCE FOR IMPAIRMENT LOSSES OF CONTRACTUAL RECEIVABLES (ii)	(5)	(5)
	3,632	2,164
STATUTORY		
AMOUNT OWING FROM VICTORIAN GOVERNMENT (iii)	382	2,610
TAXES RECOVERABLE	712	128
	1,094	2,738
TOTAL CURRENT RECEIVABLES	4,726	4,902

- (i) Receivables are carried at nominal amounts due. The average credit period on settling of monies owed is seven days. No interest is charged on other receivables for outstanding balances.
- (ii) A provision has been made based on the expected credit loss model.
- (iii) The amounts receivable from the Victorian Government represent monies owing from Victorian Government Departments/Agencies relating to contributions towards capital projects, tenancies and redevelopment costs.

Receivables consist of:

- contractual receivables, which include mainly debtors in relation to goods and services and accrued investment income; and
- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

A provision for impairment losses of receivables is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

4.2.1 MOVEMENT IN THE ALLOWANCE FOR IMPAIRMENT LOSSES OF CONTRACTUAL RECEIVABLES

	2021 \$'000	2020 \$'000
BALANCE AT BEGINNING OF FINANCIAL YEAR	5	5
BALANCE AT END OF FINANCIAL YEAR	5	5

4.3 OTHER FINANCIAL ASSETS

	2021 \$'000	2020 \$'000
TERM DEPOSITS		
AUSTRALIAN DOLLAR TERM DEPOSITS > 3 MONTHS	–	2,000
TOTAL OTHER FINANCIAL ASSETS	–	2,000

Other financial assets recognised on the balance sheet comprise cash deposits > 90 days with Treasury Corporation of Victoria and Australian financial institutions.

For the purpose of the cash flow statement, other financial assets include deposits with an original maturity greater than three months.

	2021 \$'000	2020 \$'000
4.4 PREPAYMENTS		
CURRENT		
PREPAID EXPENDITURE	820	594
PREPAID CAPITAL EXPENDITURE	33,347	103,135
	34,167	103,729

Represent payments in advance of receipts of goods and services, or that part of expenditure made in one accounting period covering a term extending beyond that period.

4.5 PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

	2021 \$'000	2020 \$'000
LAND AT FAIR VALUE (i)	1,211,800	1,030,062
	1,211,800	1,030,062
BUILDINGS AND IMPROVEMENTS AT REVALUATION (ii)	916,440	1,080,516
BUILDINGS AT FAIR VALUE	5,114	24,761
LESS ACCUMULATED DEPRECIATION	(3,053)	(77,345)
NET CARRYING AMOUNT	918,501	1,027,932
PLANT AND EQUIPMENT AT FAIR VALUE	66,142	161,124
LESS ACCUMULATED DEPRECIATION	(46,641)	(63,565)
NET CARRYING AMOUNT	19,501	97,559
RIGHT-OF-USE ASSETS AT FAIR VALUE	1,272	1,107
LESS ACCUMULATED AMORTISATION	(371)	(180)
NET CARRYING AMOUNT	901	927
WORK IN PROGRESS AT COST	252,049	108,621
	252,049	108,621
TOTAL PROPERTY, PLANT AND EQUIPMENT	2,452,817	2,406,191
LESS ACCUMULATED DEPRECIATION	(50,065)	(141,090)
NET CARRYING AMOUNT	2,402,752	2,265,101
INTANGIBLE ASSETS	1,908	1,908
LESS ACCUMULATED AMORTISATION	(1,908)	(1,898)
NET CARRYING AMOUNT	–	10
NET CARRYING AMOUNT OF PROPERTY, PLANT, EQUIPMENT, INTANGIBLE AND RIGHT-OF-USE ASSETS	2,402,752	2,265,111

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

(i) Land at fair value

Land was independently revalued at 30 June 2021 as required by the *Financial Management Act 1994* and was conducted by the Valuer-General Victoria (VGV). Due to restrictions on the usage of the land, a notional discount of 50 per cent, known as 'Community Service Obligation', has been applied to the unrestricted land value.

(ii) Buildings and Improvements and Plant and Equipment at revaluation 2021

Buildings, Plant and Equipment was independently revalued at 30 June 2021 as required by the *Financial Management Act 1994* and was conducted by Marsh on behalf of the Valuer-General Victoria who have provided current replacement cost on the inspected properties (Rod Laver Arena and surrounding grounds, John Cain Arena, AAMI Park and surrounds, Tennis HQ, Margaret Court Arena, National Tennis Centre and Holden Centre). Work in progress relating to the redevelopment have not been included in the revaluation.

Property, plant and equipment

Land, buildings, plant and equipment, and right-of-use assets are recognised initially at cost and subsequently measured at fair value less accumulated depreciation.

Revaluation of non-financial physical assets

It is the Trust's responsibility to monitor the changes in fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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), however due to the alignment of revaluations performed for agencies under the government portfolio, the Trust was requested to perform a revaluation for the year ended 30 June 2021.

The Trust engages the Valuer-General Victoria (VGV) as the Trust's independent valuation agency to conduct these scheduled revaluations. Due to the Trust having specialised buildings, VGV has utilised Marsh Pty Ltd (Marsh), as a third-party valuer to determine the fair value of the Trust's assets. The valuation was performed based on the current replacement cost method of the assets, which included the inspected properties (Rod Laver Arena and surrounding grounds, John Cain Arena, AAMI Park and surrounding grounds, Tennis HQ, Margaret Court Arena, National Tennis Centre and Holden Centre). Work in progress relating to the redevelopment has not been included in the revaluation.

The market that assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) pandemic has caused. The valuer has advised that the current market environment, impacted by COVID-19, creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

The Trust has reviewed the assumptions and methodology used by Marsh in the valuation of the Trust's assets and have reflected the new valuations in these financial statements. The Trust monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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

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

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

Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are initially recognised at cost. Cost incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Trust.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

4.5.1 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

Classification by 'Public safety and environment' purpose group – movements in carrying amounts.

YEAR ENDED 30 JUNE 2021	Land at fair value \$'000	Buildings at fair value \$'000	Plant and equipment at fair value \$'000	Right- of-use assets at fair value \$'000	Intangibles at fair value \$'000	Work in progress at cost \$'000	Total \$'000
NET CARRYING AMOUNT AT START OF YEAR	1,030,062	1,027,932	97,559	927	10	108,621	2,265,111
ADDITIONS	–	10,361	3,047	39	–	146,873	160,320
TRANSFERS	–	76,655	(73,210)	–	–	(3,445)	–
REVALUATIONS	181,738	(165,045)	(92)	126	–	–	16,727
DEPRECIATION EXPENSE	–	(31,402)	(7,803)	(191)	–	–	(39,396)
AMORTISATION EXPENSE	–	–	–	–	(10)	–	(10)
NET CARRYING AMOUNT AT END OF YEAR	1,211,800	918,501	19,501	901	–	252,049	2,402,752
YEAR ENDED 30 JUNE 2020	Land at fair value \$'000	Buildings at fair value \$'000	Plant and equipment at fair value \$'000	Right- of-use assets at fair value \$'000	Intangibles at fair value \$'000	Work in progress at cost \$'000	Total \$'000
NET CARRYING AMOUNT AT START OF YEAR	910,000	990,205	86,804	1,075	78	90,527	2,078,689
ADDITIONS	–	5,576	6,324	17	–	97,019	108,936
TRANSFERS	–	66,626	12,299	–	–	(78,925)	–
DISPOSALS	(1,816)	(79)	(31)	–	–	–	(1,926)
REVALUATIONS	121,878	(3,366)	–	–	–	–	118,512
DEPRECIATION EXPENSE	–	(31,030)	(7,837)	(165)	–	–	(39,032)
AMORTISATION EXPENSE	–	–	–	–	(68)	–	(68)
NET CARRYING AMOUNT AT END OF YEAR	1,030,062	1,027,932	97,559	927	10	108,621	2,265,111

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

4.5.2 AGGREGATE DEPRECIATION AND AMORTISATION RECOGNISED AS AN EXPENSE DURING THE YEAR (i)

	2021 \$'000	2020 \$'000
BUILDINGS AT FAIR VALUE	31,402	31,030
PLANT, EQUIPMENT AND VEHICLES AT FAIR VALUE	7,803	7,837
INTANGIBLES AT FAIR VALUE	10	68
RIGHT-OF-USE ASSETS	191	165
	<u>39,406</u>	<u>39,100</u>

Notes:

(i) The useful lives of assets as stated in the Useful Life table are used in the calculation of depreciation and amortisation.

Depreciation and amortisation

In compliance with Australian Accounting Standard AASB 116 *Property, Plant and Equipment*, depreciation and amortisation has been charged on all fixed assets and capital works developments, with the exception of land.

The provisions for depreciation are made using the straight-line method, at rates appropriate to the estimated useful life to the Trust of each individual asset. Estimates of the remaining useful lives for all assets are reviewed annually and range from greater than zero up to 70 years. The Trust's policy is to capitalise assets valued over \$5,000, while assets of less than \$5,000 in value are expensed immediately (2020: \$5,000).

Right-of-use assets are depreciated 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 following are typical estimated useful lives for different asset classes for both current and prior years:

ASSET CLASS	Useful life	
	2021	2020
Buildings	50–70 years	50–70 years
Plant and equipment	5–30 years	5–30 years
Motor vehicles	5 years	5 years
Intangible assets	5 years	5 years
Right-of-use assets	5 years	5 years

The residual value and useful life of the assets are reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

4.5.3 FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS

	Carrying amount as at 30 June 2021 \$'000	Fair value measurement as at 30 June 2021 using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
LAND AT FAIR VALUE				
SPECIALISED LAND	1,211,800	–	–	1,211,800
TOTAL OF LAND AT FAIR VALUE	1,211,800	–	–	1,211,800
BUILDINGS AT FAIR VALUE				
SPECIALISED BUILDINGS	918,501	–	–	918,501
TOTAL OF BUILDINGS AT FAIR VALUE	918,501	–	–	918,501
PLANT, EQUIPMENT AND VEHICLES AT FAIR VALUE				
VEHICLES	192	–	–	192
PLANT AND EQUIPMENT	19,309	–	–	19,309
TOTAL OF PLANT, EQUIPMENT AND VEHICLES AT FAIR VALUE	19,501	–	–	19,501
RIGHT-OF-USE ASSETS AT FAIR VALUE	901	–	–	901
TOTAL OF RIGHT-OF-USE ASSETS AT FAIR VALUE	901	–	–	901
	Carrying amount as at 30 June 2020 \$'000	Fair Value Measurement as at 30 June 2020 using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
LAND AT FAIR VALUE				
SPECIALISED LAND	1,030,062	–	–	1,030,062
TOTAL OF LAND AT FAIR VALUE	1,030,062	–	–	1,030,062
BUILDINGS AT FAIR VALUE				
SPECIALISED BUILDINGS	1,027,932	–	–	1,027,932
TOTAL OF BUILDINGS AT FAIR VALUE	1,027,932	–	–	1,027,932
PLANT, EQUIPMENT AND VEHICLES AT FAIR VALUE				
VEHICLES	30	–	–	30
PLANT AND EQUIPMENT	97,529	–	–	97,529
TOTAL OF PLANT, EQUIPMENT AND VEHICLES AT FAIR VALUE	97,559	–	–	97,559
RIGHT-OF-USE ASSETS AT FAIR VALUE	927	–	–	927
TOTAL OF RIGHT-OF-USE ASSETS AT FAIR VALUE	927	–	–	927

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Consistent with AASB 13 *Fair Value Management*, Melbourne and Olympic Parks Trust (the Trust) determines the policies and procedures for recurring fair value measurements for property, plant and equipment, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

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

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

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

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

Specialised land and specialised buildings

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

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

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

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

An independent valuation of the Trust's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2021. The next scheduled full revaluation for this purpose group will be conducted in 2025–26.

Vehicles

Vehicles are valued using the current replacement cost method, which approximates fair value. The Trust acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed within the Trust. Depreciation rates are set to reflect the utilisation of the vehicles.

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. The annual fair value assessment did not identify any material movement to the fair value of this asset class.

Right-of-use assets

Right-of-use assets are held at fair value as 'property plant equipment'.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

4.5.4 RECONCILIATION OF LEVEL 3 FAIR VALUE

	Specialised land \$'000	Specialised buildings \$'000	Vehicles \$'000	Plant and equipment \$'000	Right-of-use assets \$'000
2021					
OPENING BALANCE	1,030,062	1,027,932	30	97,529	927
PURCHASES (SALES)	–	87,016	211	(70,374)	39
GAINS OR LOSSES RECOGNISED IN NET RESULT					
DEPRECIATION	–	(31,402)	(49)	(7,754)	(191)
NET GAIN/(LOSS) ON REVALUATION	–	(50,580)	–	–	–
SUBTOTAL	–	5,034	162	(78,128)	(152)
GAINS OR LOSSES RECOGNISED IN OTHER ECONOMIC FLOWS – OTHER COMPREHENSIVE INCOME					
CHANGE IN ASSET REVALUATION RESERVE	181,738	(114,465)	–	(92)	126
SUBTOTAL	181,738	(114,465)	–	(92)	126
CLOSING BALANCE	1,211,800	918,501	192	19,309	901
2020					
OPENING BALANCE	910,000	990,205	76	86,728	1,075
PURCHASES (SALES)	(1,816)	72,202	–	18,623	17
GAINS OR LOSSES RECOGNISED IN NET RESULT					
DEPRECIATION	–	(31,030)	(46)	(7,791)	(165)
NET GAIN/(LOSS) ON DISPOSAL OF PPE	–	(79)	–	(31)	–
SUBTOTAL	(1,816)	41,093	(46)	10,801	(148)
GAINS OR LOSSES RECOGNISED IN OTHER ECONOMIC FLOWS – OTHER COMPREHENSIVE INCOME					
CHANGE IN ASSET REVALUATION RESERVE	121,878	(3,366)	–	–	–
SUBTOTAL	121,878	(3,366)	–	–	–
CLOSING BALANCE	1,030,062	1,027,932	30	97,529	927

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

4.5.5 DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS

	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS
SPECIALISED LAND	MARKET VALUE ADJUSTED FOR COMMUNITY SERVICE OBLIGATION (CSO)	CSO OBLIGATION
ROD LAVER ARENA / MELBOURNE PARK		
JOHN CAIN ARENA		USEFUL LIVES OF STRUCTURE / SHELL / BUILDING FABRIC, SITE ENGINEERING SERVICES AND CENTRAL PLANT, FIT-OUTS AND TRUNK RETICULATED BUILDING SYSTEMS.
MARGARET COURT ARENA		
NATIONAL TENNIS CENTRE	CURRENT REPLACEMENT COST	
TENNIS HQ		
AAMI PARK		REPLACEMENT COST PER M ² AND PER UNIT OF PLANT. THIS REFLECTS THE COST OF REPLACING THE BUILDING TO ITS CURRENT CONDITION TAKING INTO ACCOUNT ITS AGE.
HOLDEN CENTRE		
BUILDING REFURBISHMENTS		
VEHICLES	CURRENT REPLACEMENT COST	COST PER UNIT USEFUL LIFE OF VEHICLES
PLANT AND EQUIPMENT	CURRENT REPLACEMENT COST	COST PER UNIT USEFUL LIFE OF PLANT AND EQUIPMENT
RIGHT-OF-USE ASSETS	CURRENT REPLACEMENT COST	THE LOWER OF THE ASSET USEFUL LIFE OR LEASE TERM

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

5. LIABILITIES

	2021 \$'000	2020 \$'000
5.1 PAYABLES		
CURRENT		
CONTRACTUAL		
TRADE CREDITORS (i)	22	22
EVENT SETTLEMENTS	85	96
CONTRACT LIABILITIES	3,025	–
OTHER PAYABLES	143	1,345
ACCRUED EXPENSES	4,827	2,251
	8,102	3,714
STATUTORY		
TAXES PAYABLE	–	10
TOTAL CURRENT PAYABLES	8,102	3,724

(i) The average credit period is 30 days. No interest is charged on other payables for the first 30 days from the date of invoice. Payables are generally paid within the payment period, thereby avoiding any interest charges that may be incurred on late payments.

Payables consist of:

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

	2021 \$'000	2020 \$'000
CONTRACT LIABILITIES		
OPENING BALANCE	–	–
GRANT CONSIDERATION FOR CAPITAL WORKS RECEIVED DURING THE YEAR	4,539	6,879
REVENUE RECOGNISED IN THE REPORTING PERIOD FOR THE COMPLETION OF PERFORMANCE OBLIGATION	(1,514)	(6,879)
TOTAL CONTRACT LIABILITIES	3,025	–

The Trust received \$4.539 million for the year ended 30 June 2021, for which \$3.025 million relates to the establishment of a business case towards the enhancement of facilities at AAMI Park (\$750,000), redevelopment of Gosch's Paddock oval (\$2 million) and COVIDSafe Activities Program (\$275,000). As the performance obligations for these grants are yet to be completed, the funds received are recognised as contract liabilities. These will be recognised by the Trust, once the sufficiently specific performance obligations have been completed.

5.2 OTHER LIABILITIES

	Notes	2021 \$'000	2020 \$'000
INCOME RECEIVED IN ADVANCE		9,722	8,654
TICKET SALES FOR FUTURE EVENTS	4.1	37,254	23,938
LEASE LIABILITY		788	947
		47,764	33,539

5.2.1 TICKET SALES FOR FUTURE EVENTS

Ticket sales for future events represents ticket monies held on behalf of customers and paid out to the hirer after the event has taken place. A corresponding asset for cash held on behalf of customers is also included within current assets. In compliance with AASB 15, the venue hire income attributable to these funds is recognised once the performance obligation has been achieved.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

6. FINANCING OUR OPERATIONS

6.1 RECONCILIATION OF CASH AND CASH EQUIVALENTS

	2021 \$'000	2020 \$'000
TOTAL CASH AND DEPOSITS DISCLOSED IN NOTE 4.1	65,844	110,235
BALANCE AS PER CASH FLOW STATEMENT	65,844	110,235

6.2 RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2021 \$'000	2020 \$'000
NET RESULT FOR THE FINANCIAL YEAR	(103,543)	(10,695)
ADD/(LESS) NON-CASH MOVEMENTS		
DEPRECIATION AND AMORTISATION OF NON-CURRENT ASSETS	39,406	39,100
NET (GAIN)/LOSS ON DISPOSAL OF NON-FINANCIAL ASSETS	(15)	(113)
NET (GAIN)/LOSS ON REVALUATION OF NON-FINANCIAL ASSETS	50,580	-
NET (GAIN)/LOSS ARISING FROM REVALUATION OF LONG SERVICE LIABILITY	(107)	(45)
MOVEMENTS IN ASSETS AND LIABILITIES		
(INCREASE)/DECREASE IN RECEIVABLES	176	(212)
(INCREASE)/DECREASE IN OTHER ASSETS	(226)	30
(DECREASE)/INCREASE IN PAYABLES	3,401	(2,358)
(DECREASE)/INCREASE IN PROVISIONS	801	(95)
(DECREASE)/INCREASE IN OTHER LIABILITIES	14,409	(48,223)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	4,882	(22,611)

6.3 LEASES

Leasing activities as a lessee

The following amounts are recognised in the comprehensive operating statement relating to leases:

	Notes	2021 \$'000	2020 \$'000
INTEREST EXPENSE ON LEASE LIABILITIES	3.5	7	25
EXPENSES RELATING TO LOW VALUE LEASES (i)	3.5	35	42
		42	67

(i) Leases of IT equipment with contract terms of one to three years that are low-value items (less than \$10,000), so the Trust has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Trust leases machinery and equipment, which includes forklifts and boom lifts. The lease contracts are typically made for fixed periods of five years with an option to renew the lease after that date. Lease payments for these machinery are renegotiated every five years to reflect market rentals.

Leasing activities as a lessor

Operating lease receivables relate to tenancies within the Trust's precinct with varying lease terms up to 2036.

OPERATING LEASE RECEIVABLES	2021 \$'000	2020 \$'000
RECEIVABLE NO LATER THAN ONE YEAR	6,606	2,230
LONGER THAN ONE YEAR AND NOT LONGER THAN FIVE YEARS	20,199	17,689
LONGER THAN FIVE YEARS	38,585	43,779
	65,390	63,698

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

6.4 COMMITMENTS

Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.4.1 FUNDING COMMITMENTS

The Trust has funding commitments of \$7.5 million, which comprise a remaining \$4.5 million contribution towards Stage 3 of the Melbourne Park Redevelopment, with the final amount payable in February 2022. The Trust will also be making a Sports Development Transfer of \$3 million in 2021–22 for the promotion of sports and recreation across Victoria.

The Trust has since received a letter from the Minister for Tourism, Sports and Major Events on 21 July 2021 requesting for the continuation of the Sports Development Transfer at \$3 million from 2022–23 to 2024–25, rising to \$3.5 million from 2025–26 through to 2053–54. This request was approved by the Trust at its meeting on the 25th August 2021.

Funding commitments are not subject to GST.

	2021 \$'000	2020 \$'000
LESS THAN ONE YEAR	7,500	45,000
LONGER THAN ONE YEAR AND NOT LONGER THAN FIVE YEARS	12,500	4,500
LONGER THAN FIVE YEARS	98,000	–
TOTAL COMMITMENTS (EXCLUSIVE OF GST)	118,000	49,500

6.4.2 CAPITAL EXPENDITURE COMMITMENTS

The Trust has a capital commitment of \$17,000 as at 30 June 2021 (2020: \$0).

6.4.3 OPERATING EXPENDITURE COMMITMENTS

The Trust has \$10.221 million in commitments for operating expenditure relating to agreements for mechanical, electrical and fire services at the date of this report (2020: \$13.319 million). Amounts are GST inclusive.

	2021 \$'000	2020 \$'000
PAYABLE NO LATER THAN ONE YEAR	3,466	3,288
LONGER THAN ONE YEAR AND NOT LATER THAN FIVE YEARS	6,755	10,031
LONGER THAN FIVE YEARS	–	–
	10,221	13,319

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

7. RISKS AND CONTINGENCIES

7.1 FINANCIAL INSTRUMENTS

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Trust's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

CATEGORY OF FINANCIAL ASSETS

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

Impairment of financial assets

The Trust has been recording a loss allowance for expected credit losses for the relevant financial instruments using AASB 9 *Expected Credit Loss* approach. Subject to AASB 9, the impairment assessment includes the Trust's contractual receivables and statutory receivables. The loss allowance is recognised in the comprehensive operating statement as an 'other economic flow'.

The Trust applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected

loss rates. The Trust has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the Trust's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

While cash and cash equivalents are subject to the impairment requirements of AASB 9, there has been no impairment loss.

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 a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

CATEGORIES OF FINANCIAL LIABILITIES

Financial liabilities amortised at cost

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

Financial instrument liabilities measured at amortised cost include all of the Trusts contractual payables and interest-bearing liabilities (including lease liabilities) other than those designated at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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 is derecognised when the rights to receive cash flows from the asset have expired; 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.

Derecognition of financial liabilities

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

The Trust's principal financial instruments comprise:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- lease liabilities.

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

The main purpose in holding financial instruments is to prudentially manage the Trust's financial risks in the government policy parameters.

The Trust's main financial risks include credit risk, liquidity risk and interest rate risk. The Trust manages these risks in accordance with its treasury policy.

Primary responsibility for the identification and management of financial risks rests with the Finance, Audit and Risk committee of the Trust.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

7.1.1 CATEGORISATION OF FINANCIAL INSTRUMENTS

2021	Note	Cash and deposits \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
FINANCIAL ASSETS (i)					
CASH AND CASH EQUIVALENTS	4.1	28,590	–	–	28,590
CASH HELD ON BEHALF OF CUSTOMERS		37,254	–	–	37,254
TOTAL CASH		65,844	–	–	65,844
RECEIVABLES (i)					
TOTAL RECEIVABLES	4.2	–	3,545	–	3,545
TOTAL FINANCIAL ASSETS		65,844	3,545	–	69,389
FINANCIAL LIABILITIES					
PAYABLES (i)					
PAYABLES	5.1	–	–	250	250
LEASE LIABILITIES	5.2	–	–	788	788
TOTAL FINANCIAL LIABILITIES		–	–	1,038	1,038
2020					
2020	Note	Cash and deposits \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
FINANCIAL ASSETS (i)					
CASH AND CASH EQUIVALENTS	4.1	86,297	–	–	86,297
CASH HELD ON BEHALF OF CUSTOMERS		23,938	–	–	23,938
TOTAL CASH		110,235	–	–	110,235
RECEIVABLES (i)					
TOTAL RECEIVABLES	4.2	–	1,744	–	1,744
INVESTMENTS AND OTHER FINANCIAL ASSETS					
TERM DEPOSITS	4.3	–	2,000	–	2,000
TOTAL FINANCIAL ASSETS		110,235	3,744	–	113,979
FINANCIAL LIABILITIES					
PAYABLES (i)					
PAYABLES	5.1	–	–	1,463	1,463
LEASE LIABILITIES	5.2	–	–	947	947
TOTAL FINANCIAL LIABILITIES		–	–	2,410	2,410

(i) The amount of receivables and payables disclosed exclude statutory amounts (e.g.: amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

7.1.2 CREDIT QUALITY OF FINANCIAL ASSETS

	Government agencies (triple-A credit rating) \$'000	Other (min. triple-A credit rating) \$'000	Total \$'000
2021			
CASH AND CASH EQUIVALENTS	–	28,590	28,590
CASH HELD ON BEHALF OF CUSTOMERS	–	37,254	37,254
RECEIVABLES (i)	–	3,545	3,545
TOTAL FINANCIAL ASSETS	–	69,389	69,389
2020			
CASH AND CASH EQUIVALENTS	–	86,297	86,297
CASH HELD ON BEHALF OF CUSTOMERS	17,919	6,019	23,938
RECEIVABLES (i)	–	1,744	1,744
INVESTMENTS AND OTHER FINANCIAL ASSETS	–	2,000	2,000
TOTAL FINANCIAL ASSETS	17,919	96,060	113,979

(i) The amount of receivables and payables disclosed exclude statutory amounts (for example, the amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

Financial assets that are either past due or impaired

As at the reporting date, there is no event to indicate that any of the financial assets are impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

7.1.3 AGEING ANALYSIS OF FINANCIAL ASSETS

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 month \$'000	1–3 months \$'000	3 months – 1 year \$'000	1–5 years \$'000
30 JUNE 2021						
CASH AND CASH EQUIVALENTS	28,590	28,590	–	–	–	–
RECEIVABLES (i)	3,545	2,205	849	406	40	45
	32,135	30,795	849	406	40	45
30 JUNE 2020						
CASH AND CASH EQUIVALENTS	86,297	86,297	–	–	–	–
TERM DEPOSITS	2,000	2,000	–	–	–	–
RECEIVABLES (i)	1,744	112	1,063	290	279	–
	90,041	88,409	1,063	290	279	–

(i) Ageing analysis of financial assets excludes statutory financial assets (e.g.: amounts owing from Victorian Government and GST input tax credits recoverable).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

7.1.4 INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

	Weighted average interest rate (%)	Carrying amount \$'000	Interest rate exposure		
			Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000
30 JUNE 2021					
CASH FLOATS HELD	–	86	–	–	86
CASH AT BANK	0.23	28,504	–	28,504	–
CASH AT BANK (TICKET SALES FOR FUTURE EVENTS – NOT AVAILABLE FOR USE)	0.25	37,254	–	37,254	–
RECEIVABLES	–	3,545	–	–	3,545
		<u>69,389</u>	<u>–</u>	<u>65,758</u>	<u>3,631</u>
PAYABLES	–	250	–	–	250
LEASE LIABILITIES	2.29	788	788	–	–
		<u>1,038</u>	<u>788</u>	<u>–</u>	<u>250</u>
30 JUNE 2020					
CASH FLOATS HELD	–	84	–	–	84
CASH AT BANK	0.67	86,213	–	86,213	–
TERM DEPOSITS > 90 DAYS	1.02	2,000	2,000	–	–
CASH AT BANK (TICKET SALES FOR FUTURE EVENTS – NOT AVAILABLE FOR USE)	0.51	23,938	–	23,938	–
RECEIVABLES	–	1,744	–	–	1,744
		<u>113,979</u>	<u>2,000</u>	<u>110,151</u>	<u>1,828</u>
PAYABLES	–	1,463	–	–	1,463
LEASE LIABILITIES	2.29	947	947	–	–
		<u>2,410</u>	<u>947</u>	<u>–</u>	<u>1,463</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

7.1.5 MATURITY ANALYSIS OF FINANCIAL LIABILITIES

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates (i)			
			Less than 1 month \$'000	1–3 months \$'000	3 months – 1 year \$'000	1–5 years \$'000
30 JUNE 2021						
PAYABLES (i)	250	250	250	–	–	–
LEASE LIABILITIES	788	788	18	37	167	566
	1,038	1,038	268	37	167	566
30 JUNE 2020						
PAYABLES (i)	1,463	1,463	1,463	–	–	–
LEASE LIABILITIES	947	947	15	30	136	766
	2,410	2,410	1,478	30	136	766

(i) The carrying amounts disclosed exclude statutory amounts (e.g.: amounts payable to Victorian Government and taxes payable).

7.2 CONTINGENT ASSETS AND LIABILITIES

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

Contingent assets and contingent liabilities are presented inclusive of GST receivables or payables respectively.

7.2.1 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.

There is a contingent asset in relation to Collingwood Football Club's ground lease at Olympic Park. In December 2013, the Collingwood Football Club was granted permission by the Trust for the construction of the Olympic Park Community Facility on the Trust's land. Ownership of improvements to the land and any buildings will transfer to the Trust upon expiration of the current lease on 31 May 2033.

7.2.2 CONTINGENT LIABILITIES

Contingent liabilities are:

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

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

The Trust has no contingent liabilities at the date of this report (2020: \$0).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8. OTHER DISCLOSURES

8.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

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

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

Any gain or loss on disposal of non-current assets is recognised at the date control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time. Disposals will also include any assets written-off and/or no longer available for use.

(ii) Impairment of non-financial assets

All of the Trust's assets are assessed annually for indications of 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 *Impairment of Assets* does not apply to such assets that are regularly revalued.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the comprehensive operating statement, except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount of most major assets is measured at the higher of the current replacement cost and fair value less costs to sell.

The current replacement cost of an asset is less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

8.1.1 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

	2021 \$'000	2020 \$'000
NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY PLANT AND EQUIPMENT (INCLUDING INTANGIBLE ASSETS)	15	113
NET GAIN/(LOSS) ON REVALUATION OF BUILDINGS	(50,580)	–
	<u>(50,565)</u>	<u>113</u>

8.1.2 NET GAIN/(LOSS) ARISING FROM REVALUATION OF LONG SERVICE LIABILITY

	2021 \$'000	2020 \$'000
NET GAIN/(LOSS) ARISING FROM REVALUATION OF LONG SERVICE LIABILITY	107	45
	<u>107</u>	<u>45</u>

Net gain/(loss) from the revaluation of long service leave liability arises due to changes in the bond interest rates.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8.2 RESPONSIBLE PERSONS

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

NAMES

The persons who held the positions of Ministers, Trust members and the Accountable Officer for the Trust are as follows:

RESPONSIBLE MINISTER

THE HONOURABLE MARTIN PAKULA MINISTER FOR TOURISM, SPORT AND MAJOR EVENTS MINISTER FOR BUSINESS PRECINCTS	1 JULY 2020 TO 30 JUNE 2021
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TRUST MEMBERS

MR RUSSELL CAPLAN CHAIR TO 31 OCTOBER 2020	1 JULY 2020 TO 31 OCTOBER 2020
MR PATRICK FLANNIGAN CHAIR FROM 1 NOVEMBER 2020	1 JULY 2020 TO 30 JUNE 2021
MR SAMEER KUMAR	1 NOVEMBER 2020 TO 30 JUNE 2021
MS JACINDA DIXON	1 JULY 2020 TO 30 JUNE 2021
MS CATHERINE FRIDAY	1 JULY 2020 TO 30 JUNE 2021
MR MARK HAWTHORNE	1 JULY 2020 TO 30 JUNE 2021
MS JAYNE HRDLICKA	1 JULY 2020 TO 30 JUNE 2021
MS DIANA NICHOLSON	1 JULY 2020 TO 30 JUNE 2021
MR JOHN RIBOT-DE-BRESAC	1 JULY 2020 TO 30 JUNE 2021
MR KENNETH ROCHE AO	1 JULY 2020 TO 26 JUNE 2021
MR RAY GUNSTON	27 JUNE 2021 TO 30 JUNE 2021
MS LIBERTY SANGER OAM	1 JULY 2020 TO 30 JUNE 2021
DR EMMA SHERRY	1 JULY 2020 TO 20 DECEMBER 2020
MS JACQUELINE PIRONE	20 DECEMBER 2020 TO 30 JUNE 2021
MS JANICE VAN REYK	1 JULY 2020 TO 30 JUNE 2021

ACCOUNTABLE OFFICER

MR JOHN HARNDEN AM TRUST SECRETARY AND CHIEF EXECUTIVE OFFICER	1 JULY 2020 TO 30 JUNE 2021
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REMUNERATION

Total remuneration received or receivable by the Accountable Officer in connection with the management of the Trust during the reporting period was in the range of \$510,000 – \$519,999.

In 2019–20, Mr Brian Morris held the position of Chief Executive Officer until 31 July 2019, with Mr John Harnden AM then commencing on the 5 August 2019. The total remuneration (including incentive payments) received or receivable by the Accountable Officers in connection with the management of the Trust during this period was in the range of \$530,000 – \$539,999. Other entitlements received by the outgoing Accountable Officer during this period was in the range of \$210,000 – \$219,999.

Trustees did not receive any remuneration from the Trust during the financial year (2019–20: \$0).

A total of 58 tickets were used by Trustees for events held on the Trust's premises during the year, provided free of charge, with a retail value of \$6,721 (2020: 516 tickets with a retail value of \$86,934).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8.3 REMUNERATION OF EXECUTIVES

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

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

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

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

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

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

The increase in total remuneration and annualised employee equivalents in 2020–21 can be attributed to the Director of Communications and Stakeholder Relations role being filled for the entire year, whereby it was only part filled in the prior year. This change was partly offset by the Director of People and Culture role being vacant for a period of three months.

REMUNERATION OF EXECUTIVE OFFICERS	2021 \$'000	2020 \$'000
SHORT-TERM EMPLOYEE BENEFITS	1,000	919
POST-EMPLOYMENT BENEFITS	77	68
OTHER LONG-TERM BENEFITS	32	23
TOTAL REMUNERATION (a)	1,109	1,010
TOTAL NUMBER OF EXECUTIVES	4.0	4.0
TOTAL ANNUALISED EMPLOYEE EQUIVALENTS (a)	3.8	3.4

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

8.4 RELATED PARTIES

8.4.1 KEY MANAGEMENT PERSONNEL (KMP)

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

The assessment of Related parties of the Trust included:

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

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

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly.

Key management personnel of the Trust include the Portfolio Minister, the Honourable Martin Pakula MP, Trustees, Chief Executive Officer and members of the executive as follows:

MR TRAVIS MARDLING CHIEF FINANCIAL OFFICER	1 JULY 2020 TO 30 JUNE 2021
MR ANDREW TRAVIS CHIEF OPERATING OFFICER	1 JULY 2020 TO 30 JUNE 2021
MS KATHERINE OAKLEY DIRECTOR COMMUNICATIONS AND STAKEHOLDER RELATIONS	1 JULY 2020 TO 30 JUNE 2021
MS TANIA HANNATH DIRECTOR OF PEOPLE STRATEGY	1 JULY 2020 TO 31 JANUARY 2021
MS MEGAN O'REILLY DIRECTOR OF PEOPLE AND CULTURE	19 APRIL 2021 TO 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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 (Vic)*, and is reported within the Department of Parliamentary Services' Financial Report.

COMPENSATION OF KMPS	2021 \$'000	2020 \$'000
SHORT-TERM EMPLOYEE BENEFITS(a)	1,495	1,429
POST-EMPLOYMENT BENEFITS	98	89
OTHER LONG-TERM BENEFITS	45	35
TOTAL	1,638	1,553

The increase in remuneration of KMPS was mainly due to the full year impact of the Director of Communications and Stakeholder Relations role which commenced on 21st January 2020. This change was partly offset by the Director of People and Culture role being vacant for a period of three months.

Notes: (a) Total KMP remuneration is related to the accountable officer and members of the executive, as Trustees are not remunerated (Note 8.2).

8.4.2 SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

The Trust received funding from and made payments to government-related entities below. All transactions were undertaken in the ordinary course of business and were at arm's length and on normal commercial terms.

Government-related Entity	Transactions	Classification	2021 \$'000
Department of Jobs, Precincts and Regions	Melbourne Park Redevelopment	Contributed Capital	32,451
Department of Jobs, Precincts and Regions	John Cain Arena facility upgrade	Contributed Capital	6,000
Department of Jobs, Precincts and Regions	Gosch's Paddock Redevelopment	Deferred Capital Grant Revenue	2,000
Department of Jobs, Precincts and Regions	AAMI Park Enhancements Business Case development	Deferred Capital Grant Revenue	750
Department of Jobs, Precincts and Regions	COVIDSafe Activities Program	Deferred Capital Grant Revenue	275
Department of Jobs, Precincts and Regions	National Tennis Centre cladding replacement project	Grants Income	1,384
Department of Jobs, Precincts and Regions	AAMI Park Enhancements Consultancy Services	Grants Income	60
Department of Jobs, Precincts and Regions	Victoria Together grant	Grants Income	50
Department of Jobs, Precincts and Regions	Slater and Smith Statues	Grants Income	20
Department of Treasury and Finance	Interest income, Central Banking System arrangement	Interest Income	195
Victorian Managed Insurance Authority (VMIA)	General and specialised insurance	Purchases of Services: Admin	(980)
Department of Jobs, Precincts and Regions	Contribution to the State Sports Centre Trust	Sports Development Transfer	(1,500)
Department of Jobs, Precincts and Regions	Contribution to Sport and Recreation Victoria	Sports Development Transfer	(1,500)
Greater Western Water (City West Water)	Water and Sewerage Services	Purchases of Services: Utilities	(600)
Development Victoria	Melbourne Park Redevelopment	Prepaid Capital Expenditure	(32,451)
Development Victoria	Trust contributions towards the Redevelopment	Prepaid Capital Expenditure	(42,000)
Development Victoria	Trust payments to DV towards other capital projects	Buildings	(63)
Development Victoria	Costs incurred on behalf of DV for the Redevelopment	Trade and other receivables	155
Various government departments	Other minor transactions		(16)
			2020 \$'000
Department of Jobs, Precincts and Regions	Melbourne Park Redevelopment	Contributed Capital	119,877
Department of Jobs, Precincts and Regions	John Cain Arena facility upgrade	Contributed Capital	6,500
Department of Jobs, Precincts and Regions	John Cain Arena cladding replacement project	Grants Income	6,489
Vic Health	Water Fountains installations	Grants Income	45
Department of Jobs, Precincts and Regions	AAMI Park Enhancements Consultancy Services	Grants Income	40
Department of Jobs, Precincts and Regions	Slater and Smith Statues	Grants Income	25
City West Water	Water Harvesting Project	Grants Income	280
Treasury Corporation of Victoria (TCV)	Interest income	Interest Income	568
Department of Treasury and Finance	Interest income, Central Banking System arrangement	Interest Income	192
Victorian Managed Insurance Authority (VMIA)	General and specialised insurance	Purchases of Services: Admin	(902)
Department of Jobs, Precincts and Regions	Contribution to the State Sports Centre Trust	Sports Development Transfer	(1,500)
Department of Jobs, Precincts and Regions	Contribution to Sport and Recreation Victoria	Sports Development Transfer	(1,500)
City West Water	Water and Sewerage Services	Purchases of Services: Utilities	(563)
Development Victoria	Melbourne Park Redevelopment	Prepaid Capital Expenditure	(119,877)
Development Victoria	Trust contributions towards the Redevelopment	Prepaid Capital Expenditure	(14,000)
Development Victoria	Trust payments to DV towards other capital projects	Buildings	(74)
Development Victoria	Costs incurred on behalf of DV for the Redevelopment	Trade and other receivables	286
Various government departments	Other minor transactions		(16)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8.4.3 TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL AND OTHER RELATED PARTIES

Commercial dealings were undertaken during the reporting period with Tennis Australia, Tennis Victoria, Citywide Services and Victoria Police, all of which have representatives holding positions as Trustees on the Melbourne and Olympic Parks Trust.

TENNIS AUSTRALIA

Ms Jayne Hrdlicka holds a position on the Melbourne and Olympic Parks Trust and also holds the position of President of Tennis Australia. Ms Janice van Reyk holds a position on the Melbourne and Olympic Parks Trust and also holds the position of Director with Tennis Australia. Tennis Australia promotes the Australian Open event, operates a court hire business on the Trust's premises and also rents office space from the Trust.

During 2020–21, the Trust invoiced Tennis Australia \$32,577,984 (\$44,097,690 in 2019–20) and as at 30 June 2021, Tennis Australia owed the Trust \$558,895 (\$414,494 in 2019–20). The Trust also made payments of \$830,500 to Tennis Australia (\$40,468,898 in 2019–20).

CITYWIDE SERVICES

Ms Janice van Reyk was also a Director at Citywide Services until 6 October 2020. Citywide provide services to the Trust in the form of traffic management for event days at AAMI Park.

Up to 6 October 2020, the Trust did not make any payments to Citywide (\$17,805 in 2019–20).

VICTORIA POLICE

Ms Janice van Reyk was also a member of the Audit and Risk Committee for the Victoria Police from 25 March 2021.

From 25 March 2021, the Trust paid \$569,918 to Victoria Police for services provided to the Trust at the Australian Open and events at AAMI Park.

TENNIS VICTORIA

Ms Jacqueline Pirone holds a position on the Melbourne and Olympic Parks Trust and also holds the position of President of Tennis Victoria and replaced Dr Emma Sherry in both positions from 20 December 2020. Tennis Victoria rents office space on the Trust's premises and purchase related services from the Trust.

During 2020–21, the Trust invoiced Tennis Victoria \$117,663 (\$129,461 in 2019–20). As at 30 June 2021, Tennis Victoria owed the Trust \$13,028 (\$19,831 in 2019–20). The Trust also made payments of \$12,289 to Tennis Victoria (\$20,401 in 2019–20).

SWINBURNE UNIVERSITY OF TECHNOLOGY

Dr Emma Sherry also holds the position of Department Chair at Swinburne University of Technology. There were no transactions with Swinburne University during this financial year. (In 2019–20, Swinburne University paid \$14,066 to the Trust for a corporate function held on the Trust's premises.)

There are no other receivable amounts or loans outstanding in relation to related parties, as at 30 June 2021 (2019–20: \$0).

8.5 REMUNERATION OF AUDITORS

Audit fees paid or payable to the Victorian Auditor-General's Office (VAGO) for the audit of the Trust's financial report.

	2021 \$'000	2020 \$'000
AUDIT OF THE FINANCIAL STATEMENTS – VAGO	87	85
	<u>87</u>	<u>85</u>

8.6 SUBSEQUENT EVENTS

No material or significant events occurred after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8.7 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new AASs have been published that are not mandatory for the 30 June 2021 reporting period. DTF assesses the impact of these new standards and advises the Trust of their applicability and early adoption where applicable.

Standard	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.	1 January 2022	The Trust is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

8.8 GLOSSARY OF TECHNICAL TERMS

Cash and cash equivalents

Cash and cash equivalents is petty cash, cash floats, deposits in bank accounts, bank overdrafts and short-term deposits (up to 90 days).

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Employee benefits expense

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments, defined benefits superannuation plans and defined contribution superannuation plans.

Financial asset

A financial asset is any asset that is:

- (a) cash and cash equivalents;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Financial liability

A financial liability is any liability that is:

- (a) A contractual or statutory obligation:
- (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. Comprehensive Operating Statement, Balance Sheet, Cash Flow Statements and Statement of Changes in Equity), or it may also be used to replace the old term 'financial report' under the revised AASB 101 (September 2007), which means it may include the main financial statements and the notes.

Grants

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

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense

Costs incurred in connection with the borrowing of funds interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings,

interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes interest received on bank term deposits, interest from investments and other interest received.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets, less depreciation, plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as other non-owner changes in equity.

Net result from transactions (net operating balance)

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets; and
- gains and losses arising from revaluation of long service liability.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Other economic flows – other comprehensive income

Comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows other comprehensive income include changes in physical asset revaluation surplus.

Payables

Includes short- and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables

Includes amounts owing from government through appropriations receivable, short- and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

Refers to revenue from direct provision of goods and services and includes fees and charges for services rendered and sales of goods and services.

Transactions

Transactions are those economic flows that interact between two entities by mutual agreement.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- *Zero, or rounded to zero*
- (xxx) *Negative numbers*
- 20xx *Year*
- 20xx-xx *Year period*

DISCLOSURE INDEX

The Annual Report of Melbourne and Olympic Parks Trust is prepared in accordance with all Victorian legislation. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

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Note: (a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

LEGISLATION

Audit Act 1994

Building Act 1993

Crown Land (Reserves) Act 1978

Disability Act 2006

Financial Management Act 1994 (including Standing Directions)

Freedom of Information Act 1982

Melbourne and Olympic Parks Act 1985 (amended)

Occupational Health and Safety Act 2004

Public Interest Disclosure Act 2012

Public Administration Act 2004

Local Jobs First Act 2003

Victorian Managed Insurance Authority Act 1996

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