



STATE SPORT
CENTRES TRUST

ANNUAL REPORT

2023 - 2024



In the spirit of reconciliation, the State Sport Centres Trust respectfully acknowledges the Traditional Owners and Custodians of country throughout Victoria and recognises and respects their continuing cultural heritage and connection to land. We pay our respects to their Elders past and present.



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CHAIR AND CEO REPORT

The twelve months to 30 June 2024 represented another big year in sport and the State Sport Centres Trust was proud to play its part by making world-class sporting venues available for a wide range of international, national, state and community events.



With 2024 being an Olympic and Paralympic year, there has been an added level of excitement and anticipation in our venues which have been home to athletes in training, qualifying events and team announcements. The venues have also been popular locations for filming, whether for interviews with aspiring athletes, related advertising, or Andy Lee's popular 'Comparison Man' series which showed just how impressive the achievements of these elite athletes really are.

At the start of the year, we were delighted to welcome international players to Lakeside Stadium to train for the FIFA Women's World Cup. And in February 2024, the stadium once again hosted the Maurie Plant Meet, an exciting night of world class athletics.

The World Junior Squash Championships were held at the Melbourne Sports and Aquatic Centre in July 2023, and in March 2024 two of the three WNBL finals games were held at the State Netball and Hockey Centre in Parkville, including the decider which was won by the Southside Flyers in front of a 3,000-strong home crowd.

These events are just a couple of highlights from a busy sporting year. But they help illustrate the important role played by State Sport Centres in supporting Victoria's sporting community and making a significant economic and social contribution to the state. Additional events of note are included in our report of operations.

Following a \$132 million upgrade and redevelopment project, the expanded State Basketball Centre in the Knox Regional Sports Park was officially opened by the Premier, the Hon. Jacinta Allan MP, in January 2024. It has been pleasing to see this state-of-the-art facility being used and enjoyed by thousands of avid basketballers and gymnasts since. The redevelopment of the existing building continues and we look forward to seeing the entire facility operating at full capacity in August 2024.

Professional and world-class events require careful planning and preparation, including venues and facilities that can meet the needs of elite athletes and international sporting bodies.

Maintaining these facilities and making them available for a wide range of uses – whether a national championship or a school carnival – requires significant investment, strong partnerships with sporting organisations, a robust approach to asset and risk management, and a team committed to the pursuit of excellence.

At the same time as delivering a full program of events and bookings across SSCT's four venues, the year has also provided us with the opportunity to make some important changes in the way we do business and help lay the groundwork for future success.

We have sharpened our focus on the commercial aspects of our business and welcomed a new General Manager Commercial to the executive team.

We have strengthened our commitment to the safety and wellbeing of children and young people in our venues, including through new policies, codes of conduct and reporting mechanisms.

We have overhauled our approach to asset and project management to ensure we are prioritising our efforts effectively.

And we have made numerous changes designed to enhance our organisational culture, including by improving the way we communicate and share information with our large and diverse workforce.

We are grateful for the continued support of the Victorian Government, sports partners, tenants and the patrons and visitors who use our venues every day.

Finally, we would like to again thank all employees and Trust members for their outstanding contributions and commitment in maintaining facilities, delivering services and supporting events, making sure our patrons have the best possible experience when visiting or making use of our venues.



Tracey Cooper
Chairperson



Kate Roffey AM
Chief Executive Officer

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



Photo: AFL PHOTOS

OUR PURPOSE

Establishment

The State Sport Centres Trust (“SSCT”) is a statutory authority established pursuant to the *State Sport Centres Act 1994* (“the Act”).

The venues under SSCT’s management include:

- the Melbourne Sports and Aquatic Centre in Albert Park
- the State Netball and Hockey Centre in Parkville
- Lakeside Stadium in Albert Park
- Knox Regional Sports Park in Wantirna South, home to the State Basketball Centre.

The Act is jointly administered by Steve Dimopoulos MP, Minister for Tourism, Sport and Major Events, and the Honourable Ros Spence MP, Minister for Community Sport.

Services provided

The Act specifies that the venues are to be used for sporting, education, recreational, social, entertainment and related purposes.

Functions

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

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

OUR PURPOSE

CONTINUED

Vision

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

Mission

How we do this

- We provide a complete range of state-of-the-art sports facilities, incorporating the latest technology, flexible and accessible spaces which meet the needs of sports and participants to be successful.
- We provide the expertise and leadership of one organisation to ensure best practice and stewardship of the State's sports facilities.
- We partner with organisations, government and individuals in open, transparent and valued ways, to deliver positive and sustainable sporting outcomes for Victoria.
- We support sports organisations to be successful, including through the provision of ancillary and support services.
- We provide sports-related support and wellness services for athletes, teams and clubs which contribute to their sporting success.
- We play a vital part in the growth of sports participation by providing State significant events that generate community interest.
- We provide training facilities and pathways for elite, sub-elite and serious amateur sports people that contribute to successful performance, in turn driving community interest and involvement in sport.
- Our team are passionate industry leaders providing exceptional service and expertise for individuals and sporting associations.

Strategy

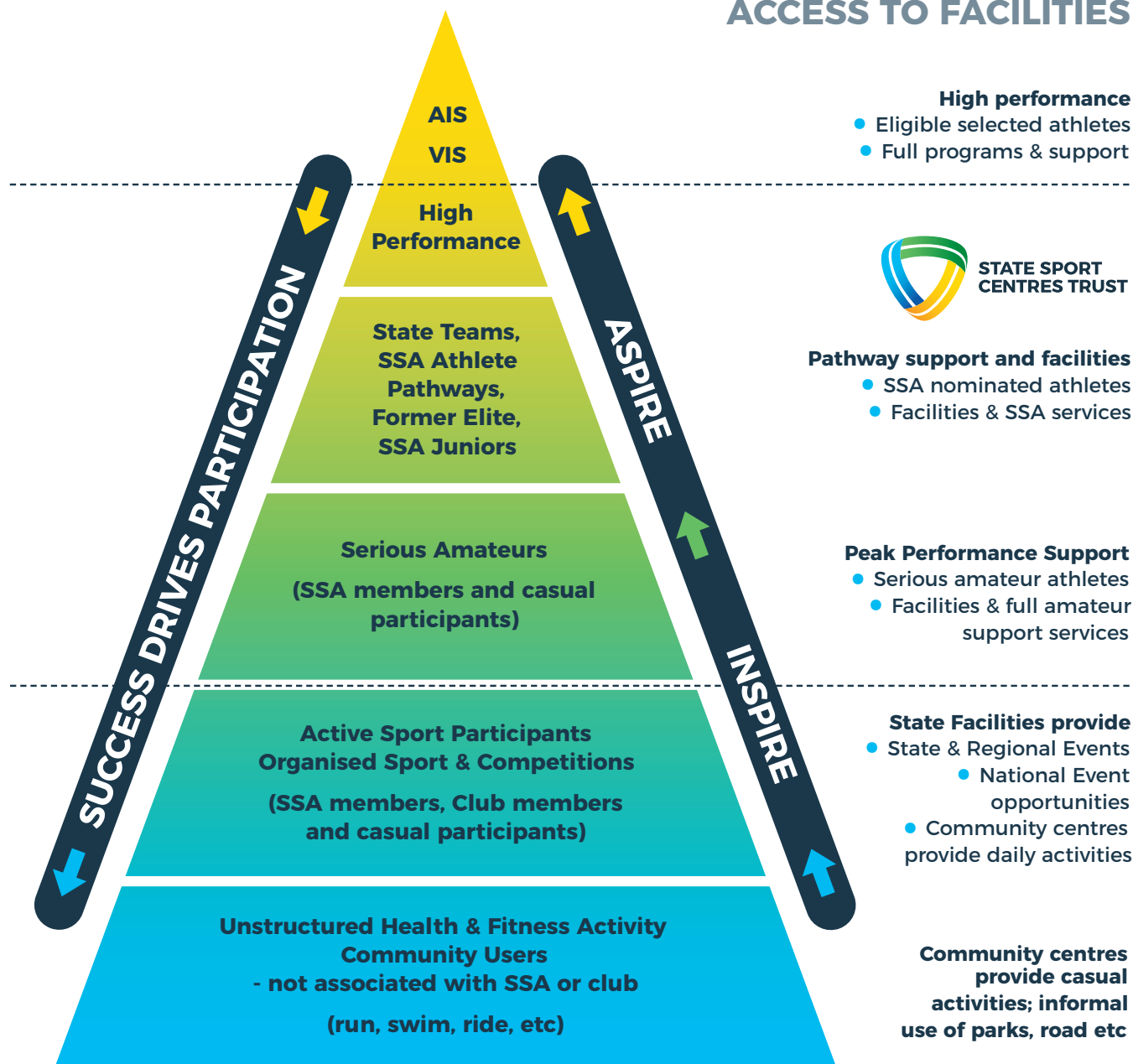
Our strategy is founded on a sports hierarchy model that delivers sports and societal dividends by balancing commercial outcomes; delivering peak performance; health and wellness benefits; and supporting a mix of participants.

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

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

DELIVERY

PARTICIPANTS + ACCESS TO FACILITIES



PARTICIPATION DRIVES HEALTHY COMMUNITIES, WELLBEING AND LIVEABILITY

OUR SPORTING TENANTS

State sports associations

- Athletics Victoria
- Badminton Victoria
- Basketball Victoria
- Diving Victoria
- Dragon Boat Victoria
- Football Victoria
- Girls Sport Victoria
- Hockey Victoria
- Judo Victoria
- Lacrosse Victoria
- Little Athletics Victoria
- Masters Swimming Victoria
- Netball Victoria
- Rowing Victoria
- Softball Victoria
- Squash and Racquetball Victoria
- Swimming Victoria
- Table Tennis Victoria
- Touch Football Victoria
- Volleyball Victoria
- Water Polo Victoria

National sporting organisations

- Athletics Australia
- Badminton Australia
- Basketball Australia
- Gymnastics Australia
- Hockey Australia
- Little Athletics Australia
- Softball Australia
- Swimming Australia
- Table Tennis Australia
- Triathlon Australia

Other sporting tenants

- Australian Basketball Resources
- Australian Sports Foundation
- Knox Basketball
- Knox Gymnastics
- Lakeside Sports Medicine
- Melbourne Central Basketball Association
- South East Melbourne Phoenix
- South Melbourne Districts Little Athletics Club
- South Melbourne Football Club
- Southside Flyers
- Sports Dietitians Australia
- Sports Excellence Scholarship Fund
- Sports Medicine Australia
- Sydney Swans Football Club
- Vicsport
- Victorian Institute of Sport



OUR GOVERNANCE

Trust

The members of the Trust in 2023-24 are detailed in the table below.

The Trust is the governing body. Its functions and powers are established by the *State Sport Centres Act 1994*. Its responsibilities are set out in its Charter and in Standing Direction 2.2.

Members are appointed by the Governor in Council on the recommendation of the Minister for Tourism, Sport and Major Events for a term not exceeding three years.

Trust meetings are held quarterly and at other times as required.

In 2023-24 the Trust met seven times. Attendance of Trust members is detailed in the table below.

Trust membership and meeting attendance 2023-24

Name	Role	Term	Attended	Eligible to attend
Tracey Cooper	Chairperson	23 June 2023 to 22 June 2026	7	7
Michael Ronaldson	Deputy Chairperson	1 September 2020 to 31 August 2023 1 September 2023 to 31 August 2026	6	7
Clare Dallat	Member	1 July 2022 to 30 June 2025	5	7
Jeff Floyd	Member	27 August 2022 to 26 August 2025	6	7
Gerard McMahon	Member	15 February 2022 to 14 February 2025	6	7
Marie-Claire Putrino	Member	23 November 2021 to 15 November 2024	7	7
Ken Ryan AM	Member	30 November 2021 to 15 November 2024	4	7

OUR GOVERNANCE

CONTINUED

Audit and Risk Committee

The members of the Trust's Audit and Risk Committee in 2023-24 are detailed in the table below. The Audit and Risk Committee's responsibilities are set out in its Charter and in Standing Direction 3.2. Members are appointed by the Trust, usually for a period of two or three years. All committee members are independent of the day-to-day management of the organisation. Committee meetings are held quarterly and at other times as required. In 2023-24 the committee met five times. Attendance of committee members is detailed in the table below.

Audit and Risk Committee membership and meeting attendance 2023-24

Name	Role	Term	Attended	Eligible to attend
Jeff Floyd	Chairperson Trust nominee	27 August 2022 to 26 August 2025	5	5
Clare Dallat	Member Trust nominee	1 July 2022 to 30 June 2025	3	5
Gerard McMahon	Member Trust nominee	1 January 2023 to 14 February 2025	4	5
Morven Fulton	Member External	1 September 2022 to 31 August 2024	5	5
Matt Young	Member External	1 September 2022 to 31 August 2024	5	5

Capital and Asset Management Committee

The members of the Trust's Capital and Asset Management Committee in 2023-24 are detailed in the table below. The Capital and Asset Management Committee's responsibilities are set out in its Charter. Members are appointed by the Trust, usually for a period of two years or as otherwise agreed. Committee meetings are held twice a year and at other times as required. In 2023-24 the committee met three times. Attendance of committee members is detailed in the table below.

Capital and Asset Management Committee membership and meeting attendance 2023-24

Name	Role	Term	Attended	Eligible to attend
Michael Ronaldson	Chairperson	21 December 2022 to 15 November 2024	3	3
Marie-Claire Putrino	Member	21 December 2022 to 15 November 2024	3	3
Ken Ryan AM	Member	21 December 2022 to 15 November 2024	3	3

Executive team

Kate Roffey AM
Chief Executive Officer

Fiona Preston
**General Manager –
Venues**

Julie Struthers
**General Manager –
People and Finance**

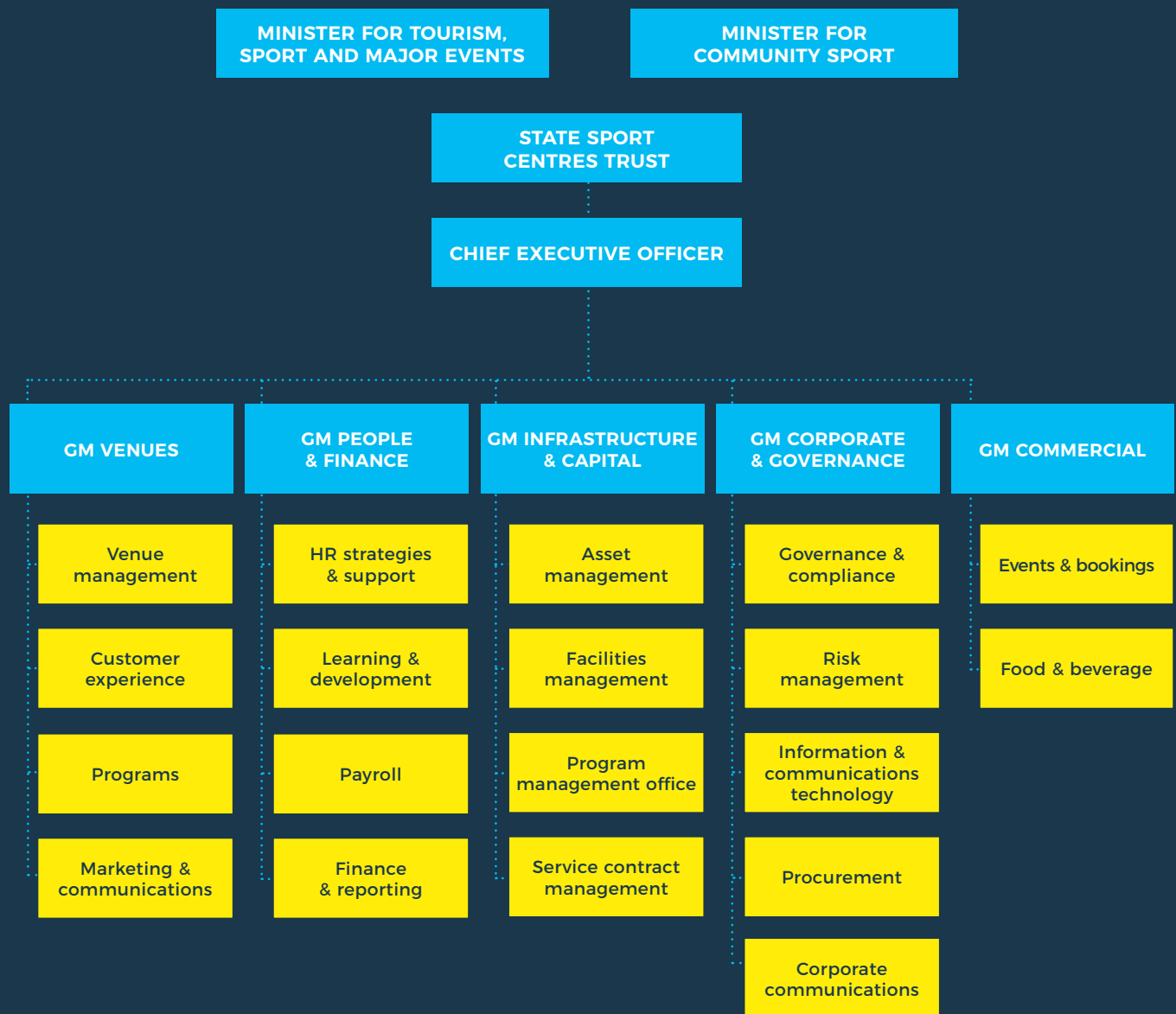
Nitin Gupta
**General Manager –
Infrastructure and Capital**

Ian Campbell-Fraser
**General Manager –
Corporate and Governance**

Paul Trengove
**General Manager –
Commercial (from June 2024)**



ORGANISATIONAL STRUCTURE



DECLARATION & ATTESTATION

Declaration in Report of Operations

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the State Sport Centres Trust for the year-ended 30 June 2024.



Tracey Cooper
Chairperson

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

State Sport Centres Trust Financial Management Compliance Attestation Statement.

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



Jeff Floyd
Audit & Risk Committee Chairperson



OUR YEAR IN REVIEW

The pursuit of excellence – in all its forms

We are the premier multi-sport facilities in Victoria.

In an **Olympic and Paralympic year**, our commitment to serving sport comes to the fore.

The venues we manage on behalf of the people of Victoria support a dizzying array of sports, including but not limited to athletics, badminton, basketball, diving, gymnastics, hockey, swimming and volleyball.

We host hundreds of sporting and recreational events across our venues each year, attracting hundreds of thousands of participants and spectators from across Victoria, Australia and internationally and making a **significant contribution to the Victorian economy**.

Many **elite athletes train and compete in our venues**, and this plays an important role in encouraging participation, growing people's interest in sport and supporting athlete development.

The State Sport Centres are also a home for children learning to swim, school carnivals and community sporting competitions.

From beginners to professionals, we serve sport.



Venue highlights

Melbourne Sports and Aquatic Centre – Albert Park

The Melbourne Sports and Aquatic Centre (“MSAC”) continues to be a vibrant sporting hub that caters for a host of aquatic and indoor stadium and court sports, alongside a membership program offering pool access, gym facilities and group fitness classes. In addition to hosting elite teams and athletes for training, competition and recovery sessions, MSAC is popular with casual users, school groups, holiday programs and sporting competitions of all grades. Adjacent to MSAC is Sports House, a former school building repurposed as a sports administration hub.

The pools at MSAC include an 80m variable length indoor competition pool and a 50m outdoor competition pool as well as smaller pools used primarily for recreational and educational purposes. This unique configuration allows us to hold different aquatic events simultaneously and more effectively cater to the needs of our sports partners.

An example of the logistical challenges we are well placed to manage is the annual hosting of the Victorian Short Course Swimming Championships. This event sees us work with Swimming Victoria and other impacted sporting bodies to configure the indoor competition pool in a way that allows 2 x 25m competition pools and a 25m warm up pool to be in operation at the same time.

A logistical challenge of a different type is presented by the annual Australian Formula One Grand Prix held in Albert Park. Access to MSAC is limited during the event, leading us to undertake a range of essential maintenance activities during a comparatively quiet visitation period. In 2024 with some careful planning and event management, we were also able to host the Association of Public Schools swimming finals in the outdoor competition pool during the Grand Prix week, a demonstration of our commitment to serving sport and finding a way to make things work.

Other notable aquatic events held at MSAC in the reporting period include:

- Swimming Victoria State Age & Open Short Course and Long Course Championships
- World Para Series Victorian Open Championships
- Australian Freediving National Pool Championships
- 2024 East Coast Challenge Water Polo tournament
- Diving Victoria Age Championships
- Melbourne Surge Water Polo Club's Rainbow Cup
- Australian Pool Life Saving Championships
- Artistic Swimming Victoria State Championships
- 62 school swimming carnivals

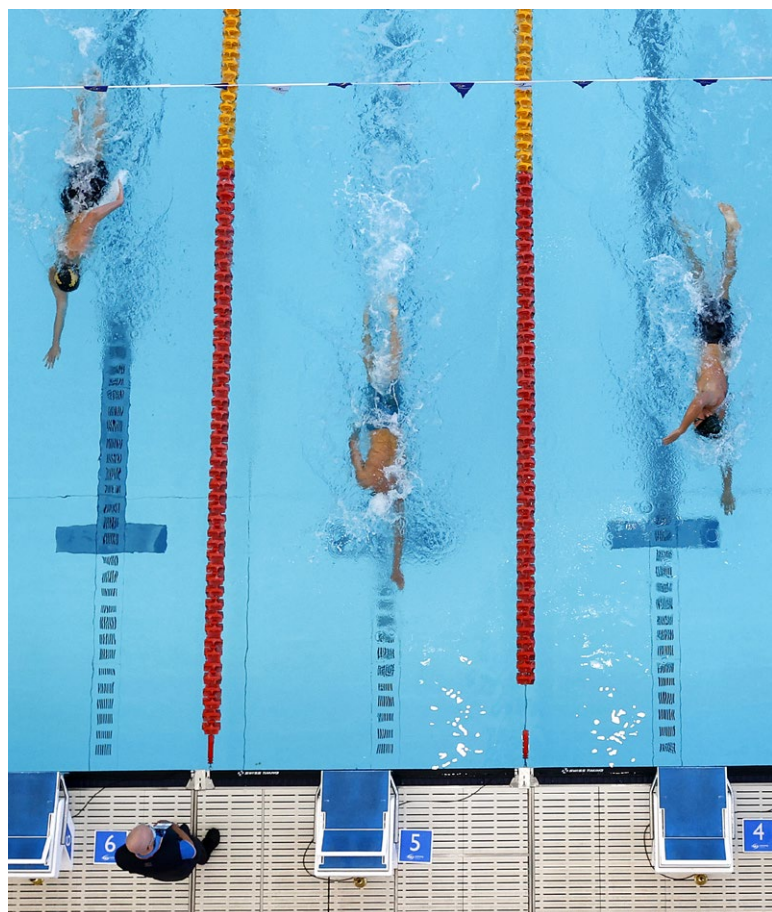


Photo: CON CHRONIS

OUR YEAR IN REVIEW

CONTINUED

The courts and stadiums at MSAC have been equally busy.

The squash courts received a much-needed upgrade in time to host the World Junior Squash Championships in July 2023. This event attracts the world's best players under 21 and their skill and determination were on display throughout. The event was broadcast internationally, showcasing our facilities to a wide audience and creating demand for MSAC to host further major events and national titles. This included the Oceania Junior Squash Championships held in April 2024.

The basketball courts at MSAC attract thousands of players each week, including casual shooters, school groups and community competitions of all ages and abilities. The sport's enduring popularity is also evidenced by the hundreds of spectators attending the home games of the Melbourne Tigers NBL1 team held in the MSAC Arena.

Our stadiums cater to a variety of different sports and our operations team members are adept at quickly converting basketball courts to jiu jitsu arenas and table tennis tables to volleyball courts.

Some of the myriad state, national and community events held in MSAC's multi-use halls during the reporting period include:

- Wheelchair AFL Finals series
- Victorian Open and Para Badminton Championships
- Basketball Australia Super Clinic
- IBJJF Jiu Jitsu Pan Pacific Championships
- Pencak Silat National Championships
- Table Tennis Victoria Closed Junior, Senior and Para Championships

Events of this nature attract competitors, spectators and officials from regional Victoria, interstate and overseas and collectively make a sizable contribution to the visitor economy.

Lakeside Stadium – Albert Park

Historic Lakeside Stadium serves many purposes. It houses the Victorian Institute of Sport and is the home of athletics in Victoria. It also contains a world class soccer pitch and is the home ground of the South Melbourne Football Club.

The year started with the stadium being used as a training base for teams competing in the FIFA Women's World Cup. Preparations for the event began back in 2020 with an intensive pitch maintenance program to ensure the venue met the high standards established by FIFA.

The quality of the playing surface was rated very highly by FIFA delegates, which meant the venue was in high demand as a training venue and ended up hosting the Canadian, Nigerian, Moroccan, German, Brazilian and USA teams as they prepared for their matches in the tournament – more than originally anticipated.



Photo: ROGUE GUN PHOTOGRAPHY

Lakeside remained a venue of choice for international teams throughout the year, with Australia's Wallabies (Rugby Union) and Socceroos, and England's Arsenal Women's and Newcastle United soccer teams among its users.

Lakeside Stadium also remained a central venue for Victorian athletics including hosting internationally significant athletic events, providing a training and administration facility for peak sporting bodies and hosting grassroots events like school carnivals.

In February 2024, the second edition of the Maurie Plant Meet – Melbourne was a huge success attracting 6000 fans to Lakeside Stadium as some of the world's best athletes from 20 nations kicked off the World Athletics Continental Tour Gold Series. Despite the rainy conditions, the commitment and professionalism of the athletes were on display as they gave world class performances and often interacted with fans for hours after their events.

A crowd of more than 4,000 turned out for the ZÁTOPEK:10 at Lakeside Stadium in December which brought a festival atmosphere to a night of amazing distance running including the 10,000m Australian Championship.

Many other state, national and community events were held at the stadium including:

- Victorian Track and Field Championships
- Little Athletics Victoria Track and Field Championships
- Athletics Victoria All Schools Track and Field Championships
- The Great MND Relay
- South Melbourne Football Club men's and women's home games
- 51 school athletics carnivals

State Netball and Hockey Centre – Parkville

The State Netball and Hockey Centre plays host to a year-round program of netball and hockey competitions and training programs, attracting many tens of thousands of patrons annually.

The venue also provides training and recovery facilities for elite athletes and sporting teams and is the administrative home for several peak sporting bodies including Netball Victoria and Hockey Victoria.

Hockey players of all ages and abilities have been enjoying competing and training on the newly refurbished main hockey pitch at the centre.

Reflecting the venue's status as Victoria's home of netball, in October a statue of netball great Anne Henderson was unveiled at the main entrance to the building. The statue is a fitting recognition of her contribution to the game, as a player, umpire, coach and administrator.

Alongside its key functions supporting netball and hockey, the centre also hosts marquee events for sports like wheelchair football, martial arts and basketball.

A highlight of the year came in early 2024, when the centre was host to a thrilling WNBL final series. With the temporary closure of the stadium at the State Basketball Centre due to renovations and upgrades, both the Southside Flyers and Melbourne Boomers played their home finals matches at the State Netball and Hockey Centre.

The Flyers defeated the Boomers in a three-game semifinal series that drew an estimated attendance of more than 6,500 people, before going on to face Perth Lynx in a grand final series. The final's third and deciding game drew almost 3,000 fans to the Parkville stadium. The game was action-packed and high scoring with the Flyers ultimately taking the trophy.

Other state, national and community events held at the stadium include:

- Netball Victoria Championships Finals
- Hockey Victoria Junior State Championships
- USA Powerlifting Australia and International Open
- Victorian Highland Dancing Champion of Champions event
- Taekwondo grading and sparring events
- National Handball Championships

OUR YEAR IN REVIEW

CONTINUED

Knox Regional Sports Park

The Knox Regional Sports Park is based in Wantirna South and includes the Knox Regional Football Centre and the State Basketball Centre.

Following an extensive \$132 million redevelopment and expansion of the State Basketball Centre by Development Victoria on behalf of the Victorian Government, SSCT assumed formal responsibility for the management of the new facility in December 2023.

The new centre was officially opened by the Premier, the Hon. Jacinta Allan MP, in January 2024. It is providing world-class facilities for the state's burgeoning basketball community, including 12 new indoor courts and comprehensive high-performance training, administration and recovery facilities. The centre also includes extensive, purpose-built gymnastic facilities.

Redevelopment of the pre-existing part of the centre continued throughout the remaining part of the reporting period and it is scheduled to reopen in August 2024. This will service the specialised training and playing needs of the South East Melbourne Phoenix NBL team and the WNBL's Southside Flyers.

SSCT is working closely with tenants and sports partners of the facility to develop new management models and ways of working that reflect the increased responsibilities some tenants hold for the operation of parts of the venue within their exclusive control.

Asset and infrastructure improvements

SSCT is a responsible custodian of the assets entrusted to it.

These assets are of varying age and condition and maintaining their quality to the standard required for elite sporting events requires a coordinated approach, dedicated resources, specialist expertise and significant investment.

In recent years, the Victorian Government has invested significant funding in the upgrade and expansion of the State Netball and Hockey Centre in Parkville and the State Basketball Centre in Wantirna South. As a result, both facilities are in excellent condition.

By comparison, built assets at MSAC and Lakeside Stadium are ageing and present ongoing challenges to maintain and deliver services. SSCT will work with the Victorian Government to undertake further investment in these critically important assets for the State.

SSCT facilities have extended opening hours and cater to large numbers of visitors, including high performance athletes. As a result, wear and tear is higher than found in more typical asset types. Asset life is therefore shorter, and renewal costs higher, when compared to other public buildings.

In addition, the scale and standard of our facilities often brings additional challenges and technical complexity. Maintaining pools, pitches, courts and other fields of play to the standard required to enable us to host national and international events requires significant investment and specialist expertise.



State-of-the art testing, treatment, heating and filtration infrastructure is used in the pools, together with large volumes of chemicals to maintain water quality. Similarly, the external playing surfaces at our facilities, including both artificial and natural pitches, are highly technical and complex in terms of both their construction and maintenance.

Securing adequate funding to maintain and replace current assets is a key priority for SSCT to ensure business continuity and minimise the risk of asset failure. Recognising this, during the reporting period the SSCT completed a comprehensive asset audit for all venues including a holistic review and update of asset data, condition and value for more than 18,000 individual assets. It did not include major built assets such as buildings, swimming pools, outdoor fields of play or car parks. The audit has informed the development of an updated asset management plan and asset management policy and led to improved integration between SSCT's asset management and finance systems.

During the reporting period, we also continued to improve our approach to planning, managing and delivering capital and infrastructure projects. By developing more comprehensive and thorough project plans and scopes of work we have improved our ability to deliver larger, more complex and more impactful projects that address clearly established priorities and deliver efficiencies of scale.

Improving our environmental sustainability and performance is a key consideration in all capital and infrastructure works undertaken by the SSCT and during the reporting period we have again often been able to use our capital program to reduce greenhouse gas emissions, reduce waste, repurpose assets and drive down water and energy use.

No capital funding was provided to the SSCT at the commencement of 2023-24, however funds were made available during the year to progress a number of urgent and critical works.

Infrastructure projects of note during the reporting period include:

- Replacement of the soccer pitch at the Knox Regional Sports Park. This \$1.2 million project was jointly funded with Football Victoria and involved the complete replacement of the playing surface and sub-surface which had become degraded and unsafe.
- Replacement of two large sand filters essential to the management of pool water quality at MSAC. These filters date back to MSAC's original construction and were at end of life and beginning to fail. Regular repairs and patch-ups had been undertaken but were no longer sufficient. The replacement of the filters was a technically complex and demanding job given their age, operational importance and access constraints.
- Replacement of the MSAC hydrotherapy pool liner, gutters and UV filters which were beyond their expected lifespan.
- Improvements to ventilation and monitoring systems in the oldest part of the State Netball and Hockey Centre structure (Hall B), leading to improvements in player comfort and safety and improved environmental outcomes.
- High pressure washing and replacement of line markings on the athletics track at Lakeside Stadium to ensure compliance with national and international standards.
- Extensive planning and preparation of upgrades to audiovisual and lighting for the State Netball and Hockey Centre arena, with works to commence in 2024-25. This \$1.3 million project will increase lighting levels by 50% and create an improved experience for players, officials and spectators.
- Various improvements to tenancy spaces across MSAC, the State Netball and Hockey Centre and Sports House, helping to create more usable and viable accommodation options for sporting bodies and increase rental income for SSCT.
- During the week of the Australian Formula One Grand Prix, we took advantage of reduced numbers of patrons to deliver an intensive program of maintenance and repairs while minimising the impact to users. The work program was the result of six months of planning and coordination and included more than 200 contractors on site tackling a diverse range of works including underwater repairs to pipes and tiles, and the sanding, varnishing and polishing of all stadium floors.

OUR YEAR IN REVIEW

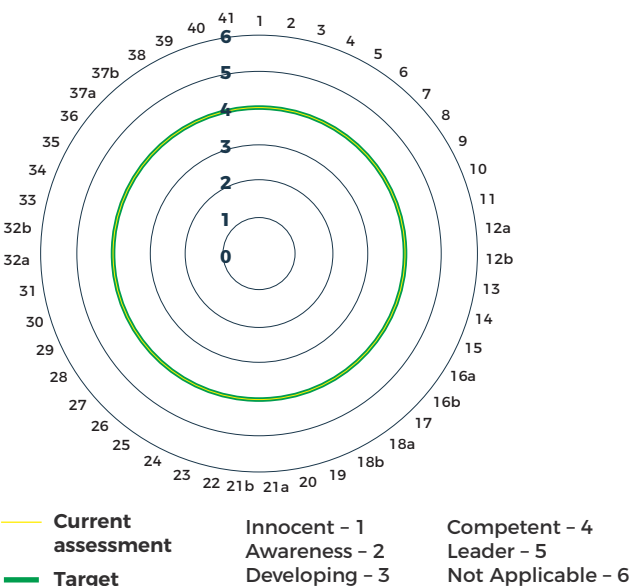
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Asset Management Accountability Framework maturity assessment

As noted previously, in 2023-24 SSCT undertook a comprehensive asset audit which resulted in significant improvements in the capture, classification, use and integration of its asset data. The project included revisions and updates of the organisation's asset management policies and plans and a significant overhaul of SSCT's asset information management systems. The following sections summarise SSCT'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 website](#).

SSCT's target maturity rating is 'competent', meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements. SSCT's assessment of its maturity against the AMAF requirements has significantly improved since 2022-23, primarily due to the asset audit and associated actions. In 2022-23, SSCT assessed itself as below its target maturity for 12 of the AMAF requirements however in 2023-24 all requirements are assessed as being aligned to our target maturity level.

Overall Assessment – Compliance 2023-24



Leadership and Accountability (requirements 1 – 19)

SSCT has met its target maturity level in this category, with the status of all requirements assessed as either 'applying' or 'competent'.

Planning (requirements 20 – 23)

SSCT has met its target maturity level in this category, with the status of all requirements assessed as either 'applying' or 'competent'.

Acquisition (requirements 24 and 25)

SSCT has met its target maturity level in this category, with the status of all requirements assessed as 'applying'.

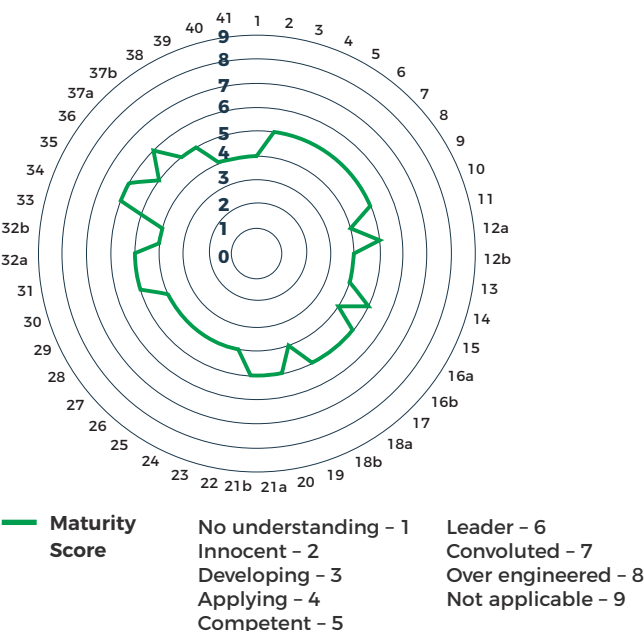
Operation (requirements 26 – 40)

SSCT has met its target maturity level in this category, with the status of most requirements assessed as either 'applying' or 'competent'. Some requirements relating to SSCT's asset information management system were assessed as 'leader'.

Disposal (requirement 41)

SSCT has met its target maturity level in this category, with the status of this requirements assessed as 'applying'.

Asset Management Maturity Status 2023-24



Operational overview

Aquatics

In 2023-24, MSAC's aquatic facilities were again awarded Platinum Pool status through Life Saving Victoria's accreditation program.

The program highlights aquatic facilities achieving the highest standards in aquatic safety and risk management, with accreditation recognised as a sign of excellence within the industry.

The Learn to Swim program at MSAC continued to provide a quality service for many families. Enrolments in the program grew slightly to 1953 at the end of the reporting period, compared to 1813 last year. Consistent with annual patterns, enrolments peaked before the start of the winter period with 2069 enrolments in April 2024.

The reporting period also saw the expansion of our private class offering, tailored to those with additional needs. Selected teachers completed AustSwim's access and inclusion training, allowing us to offer these one-on-one classes. Additionally, all MSAC teachers undertook training in recognising and managing neurodiverse behaviours to assist with class planning and delivery.

The MSAC swimming squad program experienced some challenges during the reporting period, including the departure of its head coach to a competing program. In the coming financial year, we will review the program and clarify the goals for structured aquatic offerings at MSAC with a focus on quality, consistency and exploring new opportunities.



OUR YEAR IN REVIEW

CONTINUED

Memberships and Gym

We're proud to be one of the few world-class sporting facilities that offer gym and pool memberships to community members. Our gym and wellness centre are well patronised, with a dedicated workout area for lifters and cardio lovers, a world-class aquatic area with two 50-metre pools and over a hundred weekly group fitness classes for every age and ability.

During the reporting period, we refurbished MSAC's athlete performance centre, giving members access to additional floorspace and specialty equipment.

Our membership numbers have continued to grow with 3109 members at the end of the financial year, compared to 2650 members last year.

Children's Programs and Occasional Care

Our school and holiday programs are always popular, providing school-aged children with the opportunity to experience a variety of aquatic and stadium sport activities in a safe, fun and inclusive environment.

Participation in the programs increased during the reporting period with 6,965 students participating in school programs (a 19% increase compared to 2022-23) and 2,383 children attending holiday programs (also a 19% increase compared to 2022-23).

MSAC provides an occasional care service for patrons with children, running two 90-minute sessions, four days a week. The service is well patronised by families, with most users also being MSAC members.

Food and Beverage services

Customer demand for high quality food and beverage offerings across our venues remains strong.

During the reporting period, we commenced a review of our food and beverage service offering across café spaces, kiosk outlets and function rooms. This led to us testing market interest in taking on the service and, on the basis of interest shown, putting the provision of food and beverage services at MSAC and Lakeside Stadium out to tender.

We have worked closely with affected employees and their representatives throughout the tender process and are confident the transition to a third-party operator will be a positive experience for customers and employees alike.

Corporate overview

Notwithstanding the busy year of operations, in 2023-24 SSCT was able to sustain a focus on consolidation and continuous improvement in its corporate functions.

SSCT expanded its executive leadership team to include a new General Manager Commercial, who commenced in June 2024. This role will assist the organisation to maximise commercial opportunities and realise efficiencies with the aim of reducing, to the greatest extent possible, the organisation's reliance on government funding.

SSCT management's program of reviewing and updating organisational policies and procedures to ensure they are current, fit for purpose and an enabler of efficient operations continued during the reporting period.



A key priority was strengthening SSCT's commitment to the safety of children and young people, with the roll out of a new code of conduct for employees supported by a comprehensive training and education program, alongside updated policies, procedures and work instructions.

Overhauling SSCT's risk management, asset management and procurement and contract management frameworks have also been prioritised.

SSCT has strengthened its oversight of third-party software providers and commenced reviewing and updating data and cyber security controls.

Improvements have been made to the timeliness and quality of financial management reporting and significant progress has been made in closing out outstanding audit actions.

Responding to feedback provided by SSCT employees, we have made demonstrable improvements in the coordination and delivery of learning and development activities and in the way we communicate effectively with our people.

In 2024, we worked closely with employees from across the organisation to develop SSCT values that resonate with them. The new values of Teamwork, Safety, Excellence and Respect take effect from 1 July 2024.

Building our workforce capability, maximising learning and development opportunities and enhancing our recruitment and retention of talent will continue to be key priorities for SSCT's People Support team.

Our values



OUR YEAR IN REVIEW

CONTINUED

Financial Overview

Operating Statement

For the financial year ended 30 June 2024, SSCT made an operating profit of \$2.7 million, with a comprehensive loss position of \$39.1 million. The comprehensive result includes depreciation of \$13.6 million and a loss on revaluation of assets of \$28.3 million. This loss on revaluation of assets occurred as a result of the extensive asset audit referred to previously. \$2 million of the loss on revaluation of assets was applied to the physical asset revaluation surplus. The remainder of the loss was accounted for in the net result from transactions.

Balance Sheet

Assets and liabilities have remained reasonably consistent from the prior year, indicative of the stability of our operations and usage of our facilities.

SSCT had several capital projects still continuing over financial year-end and therefore the payments of these projects will be made in the 2024-25 financial year, despite funding having already been received.

Changes in Equity

SSCT has recorded a decrease in equity of \$27.6 million in 2023-24. This was primarily as a result of the comprehensive result reflecting the loss on revaluation of assets of \$28.3 million, including reduction in the physical asset revaluation surplus of \$2.0 million.

Five Year Performance

	2023/24 (\$'000)	2022/23 (\$'000)	2021/22 (\$'000)	2020/21 (\$'000)	2019/20 (\$'000)
Income	40,673	97,303 ^(a)	24,263	20,766	33,066
Expenses	(37,925)	(33,550)	(25,620)	(21,060)	(29,889)
Operating Result	2,748	63,753	(1,357)	(294)	3,177
Depreciation	(13,562)	(16,198)	(17,157)	(13,747)	(13,100)
Loss on revaluation of assets ^(b)	(26,259)	-	-	-	-
Net Result From Transactions	(37,073)	47,555	(18,514)	(14,041)	(9,923)
Total Assets	841,398	867,679	742,579	708,310	423,730

(a) included within this income is \$56,870,000 gifted by government in respect of the Knox Regional Sports Park received during 2022/23.

(b) A further \$2 million loss on revaluation of assets was recorded as a reduction in the physical asset revaluation surplus.

POLICY ENVIRONMENT

Statement of Expectations

The State Sport Centres Trust Business Plan 2023-24 incorporated the expectations of the Minister for Tourism, Sport and Major Events as outlined in his letter to the Trust Chair.

As at 30 June 2024, a new Ministerial Statement of Expectations is in development. SSCT operated in accordance with the following Ministerial expectations during the reporting period.

1. Use and Purpose of the Venues

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

This is consistent with SSCT's vision: "We are the premier multi-sport facilities in Victoria. We empower and enable sporting organisations and individuals to achieve peak performance, reach their potential and deliver world-class events.

We inspire participation across Victoria through people attending significant events at our venues, and through successful athletes who we support to compete or train in our facilities."

SSCT manages all of its venues consistent with these legislative and Ministerial objectives.

2. Stakeholder Engagement and Management

SSCT engages with all tenants and patrons to ensure a high level of satisfaction and has well-established processes for capturing and responding to customer feedback. Trust members and the senior executive team formally engage with sporting stakeholders and tenants on a regular basis and periodically convene meetings of the MSAC Community Reference Panel and the Knox Regional Sports Park Committee.

3. Corporate Governance

SSCT operates in accordance with the requirements of the *State Sport Centres Act 1994* and other legislative and regulatory frameworks including but not limited to the *Financial Management Act 1994* and the *Public Administration Act 2004*.

SSCT also operates in accordance with good governance principles outlined by the department.



POLICY ENVIRONMENT

CONTINUED

4. Engagement with government's Active Victoria Framework

As the operator of key venues, SSCT familiarises itself with and supports the objectives of the Victorian Government's Active Victoria framework.

Active Victoria 2022 – 2026 is an update of the Victorian Government's strategic priorities for sport and active recreation in the state.

It establishes six priority outcomes that SSCT is well placed to contribute towards achieving.

Active Victoria 2022 – 2026 Priority Outcomes

1.	Sustained participation More Victorians participate equitably in sport and active recreation	SSCT supports participation in sport through a variety of programs and our facilities are used by Victorians of all abilities and skill levels. SSCT works closely with sporting bodies to understand program requirements to support participation pathways.
2.	Infrastructure Victoria has inclusive, accessible, and respectful places and spaces for sport and active recreation	SSCT continues to improve its facilities to meet the needs of our sporting partners and other patrons. SSCT ensures its facilities are widely accessible to all and continues to plan programs to ensure greatest level of accessibility possible.
3.	Sector capability The sport and active recreation workforce is highly skilled and leads a strong, sustainable industry	SSCT plays an important role in recruiting and training sport and recreation workers in a range of capacities and diverse roles.
4.	Good governance Sport and active recreation is a safe, inclusive, and resilient sector	Many state and national sporting bodies are based in SSCT venues. SSCT provides tangible supports and leadership to sporting bodies that facilitate good governance.
5.	High performance Victorians can achieve success at the highest level	SSCT provides facilities as centres of excellence for athletes and a range of support services necessary for athlete development.
6.	Events Victoria maintains a strong pipeline of sporting events within the Victorian events calendar	SSCT is committed to attracting regionally, nationally and internationally significant events to its venues.

5. Economic Impact and Benefits Study

SSCT last undertook an economic impact and benefits study in 2020, drawing on data from 2019 (prior to the impacts of the coronavirus (COVID-19) pandemic). The report assessed the quantitative and qualitative benefits provided by the venues managed by SSCT to the people of Victoria.

The analysis identified our economic contribution at that time as exceeding \$164.6 million annually and recognised our role in creating and sustaining 1,180 jobs.

The analysis also highlighted the social, educational and cultural contribution we make to the State of Victoria, including through improved social and wellbeing outcomes for participants and spectators visiting our venues.

SSCT will undertake a further economic and social impact study by the end of 2025-26.

6. Trust process and performance

SSCT has policies and procedures in place which promote and adhere to the principles of good governance. During the reporting period, SSCT continued its program of reviewing and updating core organisational policies and procedures to ensure currency and completeness.

The Trust Chair reviews CEO performance annually.

SSCT executives meet regularly with officers from Sport and Recreation Victoria and the Department of Jobs, Skills, Industry and Regions to discuss matters including operations and organisational performance.

A senior departmental executive is invited to all Trust meetings.

SSCT ensures the Chief Executive Officer and staff exemplify the behaviours and values contained within the *Code of Conduct for Victorian Public Sector Employees* issued by the Victorian Public Sector Commission.

7. People Matter Survey

SSCT participated in the Victorian Public Sector Commission's 2024 People Matter survey. The survey results assist management to strive towards best practice in people leadership and management and develop a constructive organisational culture that supports and enables our employees.

8. Diversity and Inclusion Employment

SSCT developed an Inclusion Action Strategy and Plan in 2020-21. An evaluation of the plan and the extent to which key actions and commitments have been implemented is underway and will continue in 2024-25.

SSCT developed a Gender Equality Action Plan and submitted it to the Gender Equality Commissioner in March 2022. A progress report was submitted in early 2024.

9. Environmental Sustainability

SSCT developed a Net Zero Emissions strategy in 2020-21 in line with the Victorian Government's legislated target for the state to reach net zero emissions by 2050.

Environmental sustainability is a key consideration in all construction and maintenance projects, as evidenced in the report of operations.

10. Corporate and Asset Management Planning

SSCT has submitted its corporate plan for the period 1 July 2024 to 30 June 2028.

SSCT made significant improvements in its approach to asset management during the reporting period in line with the requirements of the Asset Management Accountability Framework.

OTHER DISCLOSURES

Freedom of Information

The *Freedom of Information Act 1982* extends as far as possible the right of the community to access information in the possession of the Government of Victoria and its agencies, including the SSCT.

Making a Request

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

- it should be in writing
- it should identify as clearly as possible which documents or types of documents are being requested, and
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

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

Chief Executive Officer – State Sport Centres Trust
30 Aughtie Drive
Albert Park VIC 3206

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

Further information regarding freedom of information requests can be found at the website of the Office of the Victorian Information Commissioner: www.ovic.vic.gov.au

Categories of Documents

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

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

FOI statistics/timeliness

For the 12 months to 30 June 2024, SSCT received no requests for information pursuant to the *Freedom of Information Act 1982* (2023: 0).

Compliance with the *Public Interest Disclosures Act 2012*

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

SSCT does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct.

It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

SSCT will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

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

If you wish to make a disclosure about the SSCT, its officers, members or employees, you will need to make that disclosure directly to IBAC, the Victorian Ombudsman or the Victorian Inspectorate. If SSCT's Public Interest Disclosure Coordinator believes a disclosure may be a public interest disclosure made in accordance with the Act, they will ask you to make that disclosure to IBAC, the Victorian Ombudsman or the Victorian Inspectorate to deal with the disclosure.

Compliance with the *Disability Act 2006*

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

SSCT has an Inclusion Action Plan that complies with its obligations under the Act to prepare a Disability Action Plan for the purpose of reducing barriers to access goods, services and facilities; reducing barriers to a person with a disability obtaining and maintaining employment; and promoting inclusion and participation in the community and achieving tangible changes in attitudes and practices that discriminate against people with a disability.

SSCT's facilities are designed with inclusivity in mind and they are frequently used by patrons with a disability, including casual visitors, community sporting organisations and elite athletes. SSCT works with peak sporting bodies to plan for and support the delivery of events, including consideration of accessibility requirements.

A range of sporting and recreational activities is undertaken by patrons with a disability, including swimming, basketball, racquet sports and football. Our gym and recovery facilities (spa, sauna and hydrotherapy pool) are also highly valued by patrons with a disability or those managing an injury or long-term health condition.

SSCT is proud to be an employment partner of Impact21, a program that provides meaningful and matched employment for young adults living with intellectual disability. As part of the program, in 2023-24 SSCT employed three people in roles with our customer service and food and beverage teams.

Compliance with *Building Act 1993*

The SSCT complies with the building and maintenance provisions of the *Building Act 1993* on applicable projects.

Pursuant to its obligations under section 220 of the *Building Act 1993* SSCT has identified and fully investigated combustible cladding at MSAC and the State Netball and Hockey Centre which were assessed as moderate and low risk respectively.

The Victorian Government recognised the serious risk presented by combustible cladding and provided funding for government departments and agencies to rectify government owned buildings at risk. Rectification works were completed during the reporting period.

Combustible cladding at the State Basketball Centre was rectified within the scope of the redevelopment works undertaken at the site by Development Victoria.



OTHER DISCLOSURES

CONTINUED

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest.

SSCT applies the principles of competitive neutrality to all commercial operations in accordance with the Victorian Government’s Competitive Neutrality Policy when competing with private sector enterprises. Where the provision of services or facilities by SSCT is deemed to be in the public interest, the principles are not applied.

Local Jobs First

The *Local Jobs First Act 2003* was amended in August 2018 to bring together the Victorian Industry Participation Policy and Major Project Skills Guarantee policy which were previously administered separately. This requires SSCT to apply the Local Jobs First policy in all projects valued at \$3 million or more. During 2023-24 SSCT did not commence or complete a contract to which the Local Jobs First policy applied.

Social Procurement

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

Despite the comparatively low value of our procurement spend, at SSCT we understand that by using social benefit suppliers, our seemingly small choices can have wide-reaching positive impact on others in our community. We are building processes and tools to do this at every stage of the procurement process.

- These actions include:
- improving procurement planning activity and making targeted approaches to known social procurement organisations where appropriate
 - knowledge development for both internal and external stakeholders through the use of the tender selection criteria, which requests feedback about supplier support of the Victorian Social Procurement Framework
 - development of a supplier onboarding package that includes specific references to the Victorian Social Procurement Framework, and
 - developing comprehensive reporting processes that support reporting on each stage of the procurement lifecycle.

Overall social procurement activities	2023-24
Number of social benefit suppliers engaged during the reporting period:	2
Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive):	\$46,652
Total number of mainstream suppliers engaged that have made social procurement commitments in their contracts with SSCT:	-
Total number of contracts that include social procurement commitments:	-

Emergency procurement

SSCT did not activate emergency procurement arrangements during 2023-24.

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), entities must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

For the 12 months to 30 June 2024, SSCT received no complaints related to its procurement activities.

Consultancy Services

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

Consultant	Description	Start Date	End Date	Total Approved Project Fee (\$)	2023/24 Expenditure (\$)	Future Expenditure (\$)
Capital Insight Pty Ltd	Project management (asset audit and associated deliverables)	Aug 2023	Jan 2024	\$248,899	\$248,899	-
Reduxo Pty Ltd	Asset audit	Oct 2023	Mar 2024	\$176,040	\$176,040	-
Dean Hassall Consulting Pty Ltd	Reviews of venue operations	Oct 2023	Jun 2024	\$23,150	\$23,150	-
Australian Parking Consultants Pty Ltd	Review of carparking arrangements and procurement support	Aug 2023	Feb 2024	\$13,800	\$13,800	-
Aleda	Leadership training and values refresh	Mar 2024	Jun 2024	\$49,995	\$49,995	-
Enterprise 17 Pty Ltd	Review of food and beverage services and procurement support	Oct 2023	Jun 2024	\$11,340	\$11,340	-

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

- Number: 4 (2022-23:1)
- Total Amount: \$16,089 (2022-23: \$9,900)

Reviews and studies expenditure

During 2023-24, SSCT undertook no reviews or studies.

Major Contracts

SSCT did not enter into any major contracts during 2023-24.

A 'major contract' is a contract entered into during the reporting period valued at \$10 million or more.



OTHER DISCLOSURES

CONTINUED

Disclosure of Grants and Transfer Payments

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

Organisation	Agreement	Grant Type	Amount (\$)
Department of Jobs, Skills, Industry & Regions (DJSIR)	Operational Funding 2023/24	General	14,867,000
	Total - Operational		14,867,000
	Capital Funding 2023/24	Capital	6,030,000
	Total - Capital		6,030,000
	Total - Grants Received (DJSIR)		20,897,000
Cladding Safety Victoria (CSV)	Operational Funding 2023/24	Specific	1,133,498
	Total - Grants Received (CSV)		1,133,498
Development Victoria (DV)	State Basketball Centre Furniture, Fixtures and Equipment	Specific	5,450,000
	Total - Grants Received (DV)		5,450,000
Total	Total - All Grants Received		27,480,498

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

Organisation	Agreement	Grant Type	Amount (\$)
Development Victoria (DV)	State Basketball Centre Redevelopment 2023/24	Specific	5,971,646
	Total - Specific		5,971,646
	Total - Grants Paid (DV)		5,971,646
Total	Total - All Grants Paid		5,971,646

Government Advertising Expenditure

SSCT did not undertake any campaigns with a media spend of \$100,000 or greater during the year ended 30 June 2024.

Details of Information and Communication Technology (ICT) Expenditure

Total ICT expenditure incurred during the year ended 30 June 2024 was:

Spend Type	Operational Expenditure	Capital Expenditure	Total
Business as Usual	965,344	73,187	1,038,531
Non-Business as Usual	-	691,224	691,224
Total	965,344	764,411	1,729,755

Increases in ICT capital expenditure are primarily attributable to the fit out of the new State Basketball Centre.

Additional Information Available on Request

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

OUR PEOPLE

Employment and Conduct Principles

SSCT's policies and practices are consistent with the Victorian Public Sector Commission's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. SSCT advises its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

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

Employees have been correctly classified in workforce data collections.

Occupational Health and Safety

SSCT is committed to maintaining a safe and healthy environment for employees, contractors and visitors. SSCT aims to eliminate risks to health and safety and, where elimination is not possible, seeks to reduce risks as far as reasonably practicable.

This is facilitated through the ongoing maintenance of a robust risk management framework and workplace health and safety policies, procedures and incident management systems, developed and implemented to comply with the requirements of the *Occupational Health and Safety Act 2004*, the Victorian Government Risk Management Framework and relevant OHS standards.

In 2022-23 the SSCT revised its performance indicators for OHS reporting to better align with the requirements of Financial Reporting Direction 22. As a result, historical data prior to 2022-23 is not available.

Number of reported hazards/incidents per 100 FTE		
2023-24	2022-23	2021-22
25.82	48.22	Not available

There is no single reason for the decrease in reported hazards and incidents this year compared to last year. During the reporting period, the SSCT provided refresher training in manual handling to all employees which may be a contributing factor.

The nature of the SSCT's operations is reflected in the type and number of hazards and incidents reported. They include slips in aquatic areas and minor cuts, burns and abrasions, often involving café operations or the setting up and use of sporting equipment.

A significant proportion of reported hazards and incidents continue to be a result of employees experiencing anti-social or threatening behaviour from patrons. During the reporting period SSCT commenced reviewing and improving existing policies, procedures and training programs for addressing occupational violence and aggression and will continue to focus on building employee capability in these areas.

Number of 'lost time' standard claims per 100 FTE		
2023-24	2022-23	2021-22
0.5	1.7	Not available

Average cost per claim		
2023-24	2022-23	2021-22
\$11,021	\$11,761	Not available



OUR PEOPLE

CONTINUED

Workforce data

The following table discloses the head count (HC) and full-time staff equivalent (FTE) of all active employees of the SSCT, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period (2023).

		June 2023 Head count						
		All Employees		Ongoing			Fixed Term and Casual	
		HC	FTE	FT	PT	FTE	HC	FTE
DEMOGRAPHICS	Gender							
	Women	149	72.51	26	55	55.11	68	17.40
	Men	209	103.77	43	80	86.35	86	17.42
	Self-Described	0	0.00	0	0	0.00	0	0.00
	Prefer not to Respond	0	0.00	0	0	0.00	0	0.00
	Age							
	15-24	142	45.98	2	54	27.76	86	18.22
	25-34	121	71.51	32	50	61.99	39	9.52
	35-44	33	21.21	11	14	18.33	8	2.88
	45-54	31	24.70	19	6	23.34	6	1.36
	55-64	24	11.70	5	8	9.38	11	2.32
	65+	7	1.16	0	3	0.66	4	0.50
CLASSIFICATIONS	EBA Group							
	Level 1	61	21.71	0	24	12.22	37	9.49
	Level 2	25	14.68	5	8	8.48	12	6.20
	Level 3	135	29.54	2	30	11.69	103	17.86
	Level 3A	1	1.00	1	0	1.00	0	0.00
	Level 4	63	40.69	5	56	39.42	2	1.27
	Level 5	8	5.48	0	8	5.48	0	0.00
	Level 6	4	3.60	2	2	3.60	0	0.00
	Level 7	12	12.55	12	0	12.55	0	0.00
	Management and Support							
	Support Office and Administrative employees	19	18.13	16	3	18.13	0	0.00
	Manager	14	13.20	12	2	13.20	0	0.00
	Senior Managers	11	10.70	9	2	10.70	0	0.00
	Executive	4	4.00	4	0	4.00	0	0.00
	CEO	1	1.00	1	0	1.00	0	0.00

June 2024 Head count

All Employees		Ongoing			Fixed Term and Casual	
HC	FTE	FT	PT	FTE	HC	FTE
160	73.53	23	50	52.32	87	21.21
217	120.11	49	76	94.23	92	25.88
0	0.00	0	0	0.00	0	0.00
0	0.00	0	0	0.00	0	0.00
160	56.99	5	57	35.33	98	21.66
118	76.14	30	40	57.54	48	18.61
37	22.54	10	16	20.30	11	2.24
32	24.41	21	4	23.39	7	1.01
22	11.25	6	6	9.00	10	2.26
8	2.30	0	3	0.99	5	1.31
66	22.48	0	24	11.20	42	11.28
32	16.82	5	8	9.43	19	7.38
116	25.78	0	20	6.97	96	18.80
18	4.25	1	2	1.72	15	2.52
61	43.98	5	53	40.87	3	3.10
11	7.70	0	11	7.70	0	0.00
3	2.96	2	1	2.96	0	0.00
11	12.15	11	0	12.15	0	0.00
24	22.83	16	5	19.83	3	3.00
19	18.80	17	1	17.80	1	1.00
10	10.00	10	0	10.00	0	0.00
5	4.90	4	1	4.90	0	0.00
1	1.00	1	0	1.00	0	0.00

EBA Group refers to operational employees covered by the State Sport Centres Trust Enterprise Agreement and the classifications used in that agreement.

Management and support staff are grouped as follows:

- Support office and administrative employees (includes advisors and business partners across a range of corporate disciplines)
- Managers (employees responsible for operational and corporate functions; they oversee day-to-day work, coordinate processes and people)
- Senior Managers (senior employees responsible for managing a venue or for managing one or more functions or departments within a venue; they engage in both strategic and operational aspects of management, including resourcing, employment, budget and assets)
- Executives (General managers responsible for multiple departments or business units)
- CEO (our highest ranked leader in the organisation)

OUR ENVIRONMENTAL PERFORMANCE

Context

The SSCT is committed to environmental sustainability in all its operations.

SSCT completed a Net Zero Emissions Pathway Strategy review in 2020-21. Investment initiatives to help achieve the objectives of the strategy have largely been completed. Additional works are currently included in SSCT's capital plan and environmental sustainability is a key consideration in all construction and maintenance projects. SSCT is planning a 5-year review of the Net Zero Emissions Pathway to assess results and identify further opportunities.



SSCT continues to work on establishing and maintaining procedures to conform with AS/NZS ISO 14001:2016 including:

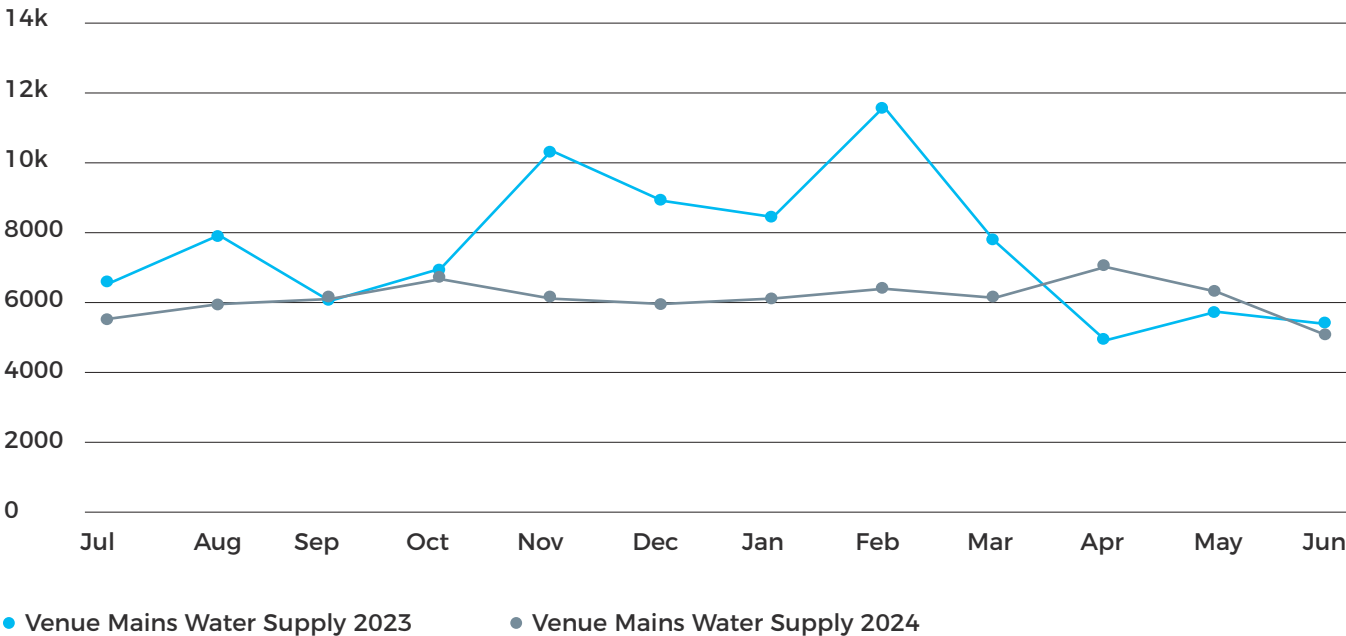
- identifying the environmental aspects of activities and operations
- defining and documenting roles and responsibilities to facilitate effective environmental management and address instances of non-conformance
- monitoring and measuring the key operations and activities that can have a significant impact on the environment

This is the second time SSCT’s environmental performance is being reported in detail in the annual report. Over time, SSCT aims to expand the scope of its reporting to include non-mandatory measures and to improve its environmental performance.

For example, as a Tier 3b entity the SSCT is not currently required to report on its water consumption. Nevertheless, SSCT continues to improve its monitoring of water usage, allowing the organisation to improve its water efficiency by more quickly identifying and rectifying leaks, adjusting irrigation schedules, and investigating and addressing instances of unexpectedly high water usage.

A comparison of water consumption at the Melbourne Sports and Aquatic Centre between 2023 and 2024 is shown in the table below. Detailed water monitoring has supported operational changes that have resulted in a 16,812kL reduction (18.4%) on the previous reporting year and a steady consumption with minimal fluctuations. This monitoring will continue into FY25, however we recognise that planned capital replacement programs may have an impact on overall consumption. SSCT is working with local water authorities to understand and minimise the impact of these projects.

MSAC – Water Consumption 2023/2024



Similarly, while the SSCT is not currently required to report on waste and recycling indicators, action is being taken on a number of fronts to reduce the environmental impact of our waste generation and management practices.

By way of example, following the commencement of Victoria’s container deposit scheme on 1 November 2023, a container return machine was installed at MSAC. The machine collected 191,391 beverage containers during the reporting period.

OUR ENVIRONMENTAL PERFORMANCE

CONTINUED

Reporting boundary

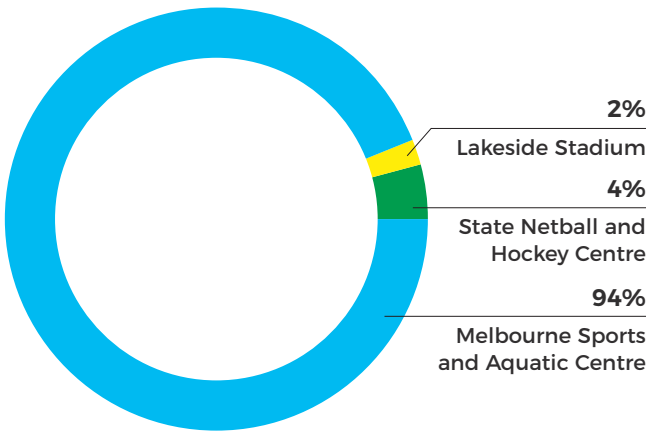
All current operations and activities are included within the organisational boundary for this reporting period, with data segmented against the four major venues currently managed by SSCT:

- Melbourne Sports and Aquatic Centre, Albert Park (includes Sports House)
- Lakeside Stadium, Albert Park
- State Netball and Hockey Centre, Parkville
- State Basketball Centre and the Knox Regional Sports Park, Wantirna South

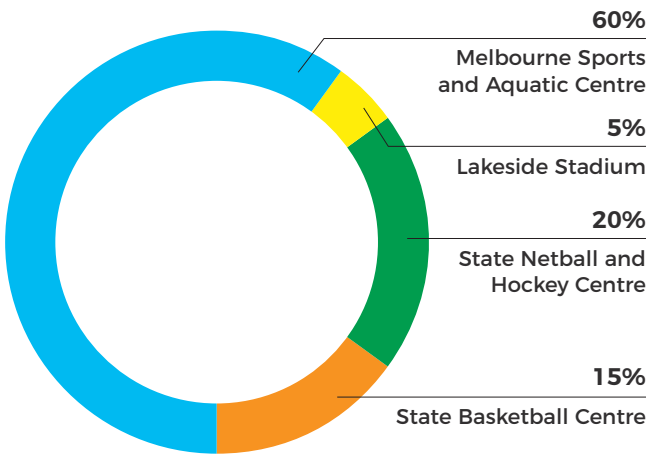
As noted elsewhere in this report, the SSCT commenced operation of the newly constructed component of the State Basketball Centre in January 2024, with works on the pre-existing building (led by Development Victoria) continuing until August 2024. Environmental data has been included for the precinct however data is limited to a six-month period and will not be reflective of the baseline consumption until FY25.



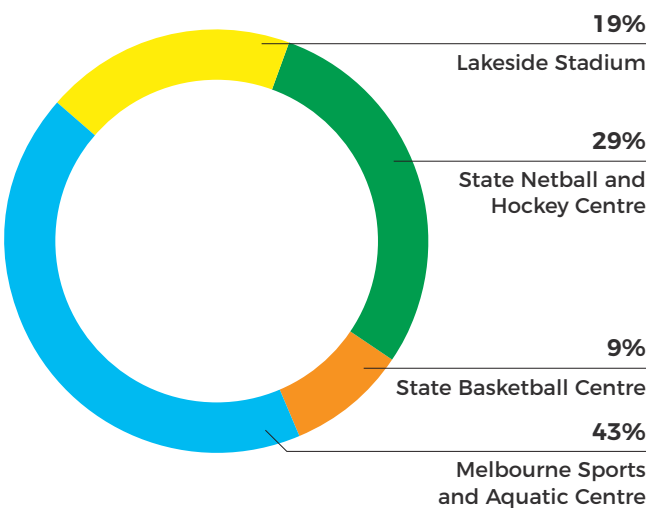
Total MJ



Total kWh



Total kL



MSAC is the largest consumer of gas, electricity and water among SSCT venues. This is due to its size and age, longer operating hours and extensive aquatic facilities.

MSAC consumes 70,000 gigajoules of natural gas per year on average. This is split across two main areas of infrastructure: three boilers (used to heat pools, HVAC and domestic hot water) and one natural gas-fired cogenerator (used to generate energy and supplement thermal heating to pools and air handling units).

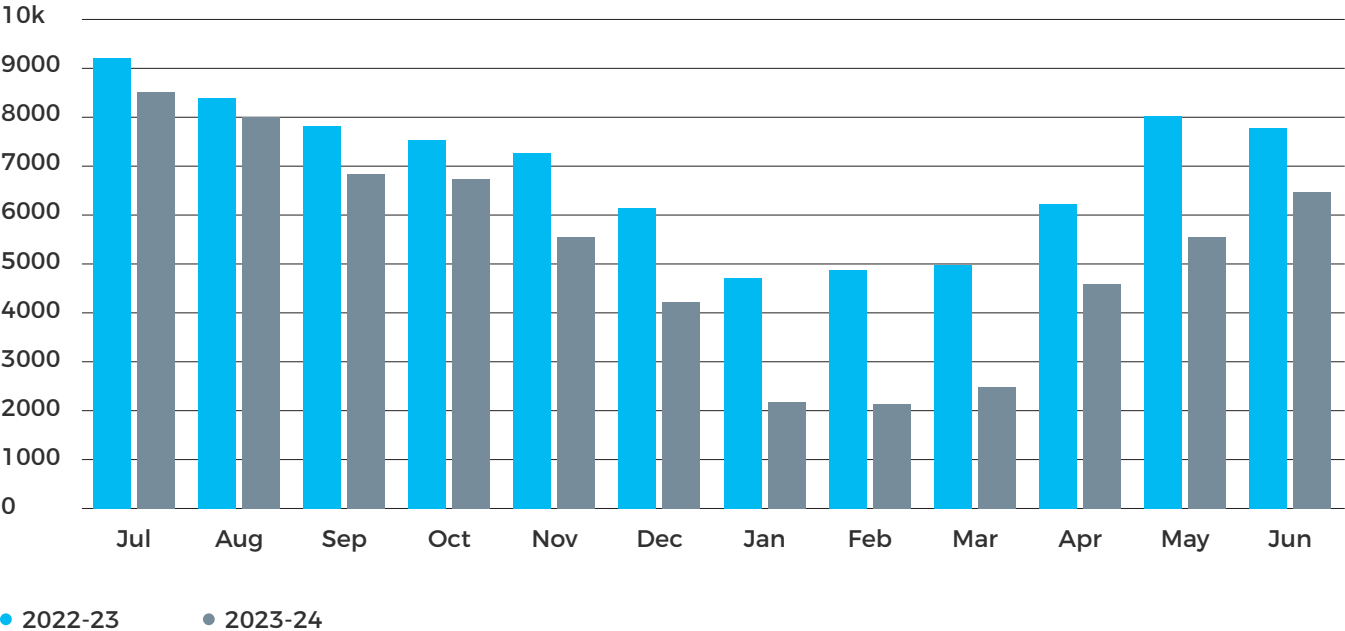
Due to the nature of the assets at MSAC, SSCT has little control over gas usage. Boilers are commissioned to only run one at a time unless in response to high demand. During winter all three boilers are used to keep up with the demand from pool heating, with support from the co-generator when required.

In January 2023, analysis showed that the co-generator was still sustainable to operate based on then-current natural gas and electricity prices. However, given continuing increases in gas prices, in December 2023 SSCT decided to temporarily decommission the natural gas fired co-generator.

This change has led to reduced gas usage and dependency onsite, albeit with a corresponding increase in electricity consumption. SSCT continues to explore options to supplement electricity generation through increased use of solar energy, including by undertaking feasibility studies and seeking capital funding.

Improved gas monitoring and the shutdown of MSAC’s co-generator reduced usage by 19,813.22 gigajoules (23.87%) in 2023-24, as demonstrated in the table below.

MSAC – Natural Gas Consumption year on year



OUR ENVIRONMENTAL PERFORMANCE CONTINUED

Greenhouse gas emissions

SSCT reports its greenhouse gas emissions broken down into emission ‘scopes’ consistent with national and international reporting standards. Scope 1 emissions are from sources that SSCT owns or controls, such as burning fossil fuels in its vehicles or machinery. Scope 2 emissions are indirect emissions from SSCT’s use of electricity from the grid, which still uses coal and gas-fired power generation.

Scope 3 emissions are indirect emissions from sources the SSCT does not control but does influence (such as commercial air travel and waste disposal). As a Tier 3b entity, SSCT is not currently required to report on scope 3 emissions but may seek to expand its reporting to include scope 3 emissions in future years.

Indicator G1	2023-24	2022-23
Total Scope 1 greenhouse gas emissions (Tonnes CO2-e)	3,417.89	4,774.68

Indicator G2	2023-24	2022-23
Total Scope 2 greenhouse gas emissions (Tonnes CO2 e)	6,489.57	8,923.07

Electricity production and consumption

SSCT continues to implement a range of energy efficiency policies across its sites to reduce electricity use. These measures include:

- installing energy efficient lighting as assets are replaced
- minimising operational time of electrical equipment and infrastructure through improved planning and scheduling
- encouraging staff to switch off lights and electrical equipment when not in use
- introducing new monitoring software that supports the rapid identification and rectification of anomalous power usage, leading to reduced power use and financial savings.

All self-generated electricity is consumed behind-the-meter.

Solar generated electricity is currently in use at the State Netball and Hockey Centre, the State Basketball Centre and the Melbourne Sports and Aquatic Centre. SSCT has identified that there is further scope to expand the use of solar generated electricity, particularly at MSAC and the State Basketball Centre, and that the return on investment would be realised quickly.

The current system for solar generation at MSAC is at end of life and has deteriorated rapidly due to the age. One of two inverters has ceased operating and will not be replaced given the major solar upgrade works in the pipeline. This has led to a temporary decrease in the amount of solar energy generated at MSAC, reflected in the tables on page 41.

SSCT will also consider further offsetting electricity use through the purchase of certified carbon neutral electricity, which has occurred as part of State Basketball Centre energy contracts.



Indicator EL1	2023-24	2022-23
Total electricity consumption (MWh)	11,766	13,518
Purchased Electricity – Consolidated	10,117	10,498
Melbourne Sports and Aquatic Centre	6,040	7,572
State Netball and Hockey Centre	1,988	2,258
Lakeside Stadium	555	668
State Basketball Centre	1,533	–
Self-generated (MWh)	1,649	3,020
Melbourne Sports and Aquatic Centre	1,483	2,904
State Netball and Hockey Centre	116	116
State Basketball Centre	50.4	–

Indicator EL2	2023-24	2022-23
On-site electricity generated (MWh)	1,649	3020
Solar PV	191.9	219
Melbourne Sports and Aquatic Centre	25.1	103
State Netball and Hockey Centre	116	116
State Basketball Centre	50	–
Cogeneration	1,457	2,801
Melbourne Sports and Aquatic Centre	1,457	2,801

Indicator EL3	2023-24	2022-23
On-site installed generation capacity (MW)	6,461	6,401
Solar PV	280	219
Cogeneration	6,181	6,181

Indicator EL4	2023-24	2022-23
Total electricity offsets (MWh)	187	–

Stationary fuel use

Sources of emissions from stationary fuel include natural gas used in heating, cooking and cogeneration, and petrol used in machinery and plant vehicles (including a motorised buggy, lifting equipment, mowers, chainsaws, etc). SSCT continues to explore options to reduce its reliance on natural gas in the longer term.

Indicator F1	2023-24	2022-23
Total Fuels used in buildings and machinery (MJ)	66,230,582	85,794,734
Buildings	66,207,952	85,770,947
Natural gas	66,207,952	85,770,947
Melbourne Sports and Aquatic Centre	63,184,670	82,998,000
State Netball and Hockey Centre	2,845,995	1,320,111
Lakeside Stadium	177,287	1,452,836
Machinery	22,630	23,787
Petrol	22,630	23,787

Indicator F2	2023-24	2022-23
Greenhouse gas emissions from stationary fuel consumption (Tonnes CO2-e)	3,399.3	4,764.9
Natural gas	3,397.7	4,762.9
Petrol	1.531	2.02

OUR ENVIRONMENTAL PERFORMANCE

CONTINUED

Transportation

SSCT maintains a small fleet of two diesel-powered goods vehicles essential to the maintenance and operation of the venues managed. With the opening of the State Basketball Centre during the reporting period, transport between venues has increased. The SSCT will explore the use of more fuel-efficient and lower-emission vehicles when new vehicles are purchased or current fleet vehicles are in need of replacement.

SSCT maintains additional petrol-powered plant (non-road) vehicles for use within venues, including a motorised buggy, a ride on mower and lifting equipment. Petrol is also used to power several items of equipment used for maintenance such as mowers and chainsaws. Petrol consumption for all such items is captured under Stationary Fuel Use on page 41.



Indicator T1	2023-24	2022-23
Total energy used in transportation (MJ)	190,010	111,593
Road Vehicles	190,010	111,593
Passenger vehicles	-	-
Goods vehicles	190,010	111,593
Petrol	-	-
Diesel	190,010	111,593
Electric/ Hybrid (MWh)	-	-

Indicator T2	2023-24	2022-23
Number and proportion of vehicles	2	2
Road Vehicles	2	2
Passenger vehicles	-	-
Goods vehicles	2	2
Petrol	-	-
Diesel/ Biodiesel	2	2
Electric/ Hybrid	-	-

Indicator T3	2023-24	2022-23
Greenhouse gas emissions from vehicle fleet (Tonnes CO2 e)	13.5	9.8
Road Vehicles	13.5	9.8
Passenger vehicles	-	-
Goods vehicles	13.5	9.8
Petrol	-	-
Diesel	13.5	9.8
Electric/ Hybrid	-	-

Total energy use

The SSCT manages large facilities that often include energy-intensive and/or energy-inefficient components such as swimming pools and stadiums. Energy is also used to manage, maintain and light large outdoor spaces. For indicator E4 the SSCT has therefore opted to report on energy use normalised by area managed.

SSCT currently manages facilities spanning 449,696m² including:

- Melbourne Sports and Aquatic Centre (including Sports House): 67,716m²
- Lakeside Stadium: 47,230m²
- State Netball and Hockey Centre: 80,937m²
- Knox Regional Sports Park (including State Basketball Centre): 253,813m²

Indicator E1	2023-24	2022-23
Total energy usage from fuels (stationary and transportation) (MJ)	66,420,592	85,906,327

Indicator E2	2023-24	2022-23
Total energy used from electricity (MJ)	42,358,963	48,664,800

Indicator E3	2023-24	2022-23
Total energy used segmented into renewable and non-renewable sources (MJ)	108,779,555	134,571,127
Renewable	1,363,989	789,095
Non-renewable	107,415,567	133,782,032

Indicator E4	2023-24	2022-23
Units of energy used normalised by area managed (m ²)	242	687

Sustainable buildings and infrastructure

Indicators B1 and B2

The condition and age of SSCT's built assets varies considerably.

The Melbourne Sports and Aquatic Centre was built over 25 years ago and environmental sustainability was not the dominant consideration in its design. Sports House is located in a former brick schoolhouse that has been repurposed as office space.

Lakeside Stadium consists of several buildings of varying age and classes, some of them of dating back to the venue's former use as the home ground of the South Melbourne Football Club (Australian Rules).

By comparison, environmental sustainability has been a key consideration in the recent expansion and redevelopment of the State Netball and Hockey Centre and the State Basketball Centre at the Knox Regional Sports Park.

SSCT does not lease any office buildings or other premises.

Indicators B3 and B4

None of SSCT's current assets have received a NABERS Energy rating.

The energy rating and environmental performance of the Knox Regional Sports Park is still underway.

Sustainable procurement

The SSCT considers sustainable procurement objectives through its implementation of the Social Procurement Framework, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction. More details of SSCT's implementation of the Social Procurement Framework are contained on page 30.

DISCLOSURE INDEX

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

LEGISLATION	REQUIREMENT	PAGE REFERENCE
Standing Directions & Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	5
FRD 22	Purpose, functions, powers and duties	5
FRD 22	Key initiatives and projects	14
FRD 22	Nature and range of services provided	5
Management and structure		
FRD 22	Organisational structure	12
Financial and other information		
FRD 10	Disclosure index	44
FRD 12	Major contracts	31
FRD 22	Employment and conduct principles	33
FRD 22	Occupational health and safety	33
FRD 22	Summary of financial results for the year	24
FRD 22	Significant changes in financial position during the year	24
FRD 22	Major changes or factors affecting performance	24
FRD 22	Subsequent events	95
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	28
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	29
FRD 22	Statement on National Competition Policy	30
FRD 22	Emergency procurement	30
FRD 22	Procurement complaints	30
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	28

FRD 22	Compliance with the <i>Disability Act 2006</i>	29
FRD 22	Reviews and studies expenditure	31
FRD 22	Details of consultancies over \$10,000	31
FRD 22	Details of consultancies under \$10,000	31
FRD 22	Government advertising expenditure	32
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FRD 22	Asset Management Accountability Framework (AMAF) maturity assessment	20
FRD 22	Workforce data	34
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FRD 25	Local Jobs First	30
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DECLARATION

The attached financial statements for the State Sport Centres Trust have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and the financial position of the SSCT at 30 June 2024.

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

We authorise the attached financial statements for issue on 11 September 2024.



Jeff Floyd

Audit & Risk Committee Chair
Responsible Body

State Sport Centres Trust

Melbourne
11 September 2024.



Kate Roffey

Chief Executive Officer
Accountable Officer

State Sport Centres Trust

Melbourne
11 September 2024.



Julie Struthers

GM People and Finance
Chief Finance & Accounting Officer

State Sport Centres Trust

Melbourne
11 September 2024.

Independent Auditor's Report

To the Members of the State Sport Centres Trust

Opinion	<p>I have audited the financial report of State Sport Centres Trust (the trust) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • 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 material accounting policy information • 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 2024 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 2024, 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 determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the 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
23 September 2024



Simone Bohan
as delegate for the Auditor-General of Victoria

ANNUAL FINANCIAL STATEMENTS

Comprehensive Operating Statement For the financial year ended 30 June 2024

	NOTES	2024 \$ '000	2023 \$ '000
INCOME AND REVENUE FROM TRANSACTIONS			
<i>Revenue from contracts with customers</i>			
Sales of goods and services	2.1	21,928	19,652
General purpose grants	2.2	16,000	19,572
Total revenue from transactions		37,928	39,224
<i>Income</i>			
Interest		1,334	1,109
Assets Gifted by Government	2.2.1	-	56,870
Specific purpose grants	2.2	-	100
Other income		1,411	-
Total income from transactions		2,745	58,079
Total income and revenue from transactions		40,673	97,303
EXPENSES FROM TRANSACTIONS			
Employee expenses	3.1	18,202	16,419
Depreciation	4.1.2	13,562	16,198
Grant expenses	3.2	-	120
Interest expense		1	1
Other operating expenses	3.3	19,722	17,010
Total expenses from transactions		51,487	49,748
Net result from transactions (net operating balance)		(10,814)	47,555
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Impairment of loans and receivables		(12)	(8)
Loss on revaluation of assets	4.1.1	(26,259)	-
Total other economic flows included in net result		(26,271)	(8)
Net result		(37,085)	47,547
OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME			
Changes in physical asset revaluation surplus	4.1.1	(2,008)	-
Total other economic flows - other comprehensive income		(2,008)	-
Comprehensive result		(39,093)	47,547

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2024

	NOTES	2024 \$ '000	2023 \$ '000
ASSETS			
<i>Financial assets</i>			
Cash and cash equivalents	5.1	26,277	28,047
Receivables	5.2	2,055	1,421
Total financial assets		28,332	29,468
<i>Non-financial assets</i>			
Inventories	5.4	137	122
Property, plant and equipment	4.1	812,169	837,965
Other non-financial assets	5.5	760	124
Total non-financial assets		813,066	838,211
Total assets		841,398	867,679
LIABILITIES			
Payables	5.3	6,417	5,141
Borrowings	5.6	34	42
Employee provisions	6.1	1,026	962
Total liabilities		7,477	6,145
Net assets		833,921	861,534
EQUITY			
Accumulated deficit		(159,169)	(122,084)
Physical asset revaluation surplus		454,609	456,617
Contributed capital		538,481	527,001
Total equity		833,921	861,534

The accompanying notes form part of these financial statements.

ANNUAL FINANCIAL STATEMENTS

Cash Flow Statement For the financial year ended 30 June 2024

	NOTES	2024 \$ '000	2023 \$ '000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		21,322	20,332
Receipts from government		17,411	19,672
Net receipt of goods and services tax		-	116
Interest received		1,334	1,109
Total receipts		40,067	41,229
PAYMENTS			
Payments to suppliers and employees		(37,203)	(32,279)
Payments of grant expenses		-	(120)
Net payments of goods and services tax		(80)	-
Interest paid		(1)	(1)
Total payments		(37,284)	(32,400)
Net cash flows from operating activities	5.1.1	2,783	8,829
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of non-financial assets		(16,033)	(9,869)
Purchases of non-financial assets – SBC Redevelopment		-	(68,595)
Net cash flows from/(used in) investing activities		(16,033)	(78,464)
CASH FLOWS FROM FINANCING ACTIVITIES			
Owner contributions by State Government – appropriation for capital expenditure purposes		11,480	76,690
Net cash flows from financing activities		11,480	76,690
Net (decrease)/increase in cash and cash equivalents		(1,770)	7,055
Cash and cash equivalents at the beginning of the financial year		28,047	20,992
Cash and cash equivalents at end of financial year	5.1	26,277	28,047

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the financial year ended 30 June 2024

	NOTES	PHYSICAL ASSET REVALUATION SURPLUS \$ '000	ACCUMULATED SURPLUS \$ '000	CONTRIBUTED CAPITAL \$ '000	TOTAL \$ '000
Balance at 1 July 2022		456,617	(169,631)	450,311	737,297
Net result for the year		-	47,547	-	47,547
Other comprehensive income for the year	4.1.1	-	-	-	-
Capital appropriations		-	-	76,690	76,690
Balance at 30 June 2023		456,617	(122,084)	527,001	861,534
Net result for the year		-	(37,085)	-	(37,085)
Other comprehensive income for the year	4.1.1	(2,008)	-	-	(2,008)
Capital appropriations		-	-	11,480	11,480
Balance at 30 June 2024		454,609	(159,169)	538,481	833,921

The accompanying notes form part of these financial statements.

ANNUAL FINANCIAL STATEMENTS

Notes to the financial statements For the financial year ended 30 June 2024

1. About this report

The State Sport Centres Trust ("SSCT") is a government agency of the State of Victoria, established by the *State Sport Centres Act 1994*.

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

Its principal address is:
State Sport Centres Trust
Melbourne Sports and Aquatics Centre
30 Aughtie Drive, Melbourne, VIC 3206

Basis of preparation

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

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

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

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

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

Going Concern

Consistent with the requirements of AASB 101 *Presentation of Financial Statements* the financial statements have been prepared on a Going Concern basis.

Compliance information

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

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. Our revenue and income streams

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

2.1 Sale of goods and services

	2024 \$ '000	2023 \$ '000
Sale of goods	4,065	3,758
Rendering of services	16,392	14,675
Rental income	1,471	1,219
Total sales of goods and services	21,928	19,652

The sale of goods and services included in the table above are transactions that the SSCT 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. SSCT recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

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

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

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

Rental income

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

Operating leases relate to office and retail spaces within SSCT venues with lease terms between 1 and 35 years, some leases with options to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that the SSCT retains in underlying assets are not considered to be significant, SSCT employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate SSCT when a property has been subject to excess wear and tear during the lease term.

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Notes to the financial statements For the financial year ended 30 June 2024

2.1.1 Operating leases as lessor

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

	2024 \$ '000	2023 \$ '000
Receivable not later than one year	549	715
Later than one year but not later than five years	1,546	2,375
Later than five years	1,498	1,404
Total operating leases as lessor	3,593	4,494
Number of tenants	45	34
Years remaining on leases	1 – 35 years	1 – 35 years

2.2 Grants

	2024 \$ '000	2023 \$ '000
Revenue		
General purpose grants	16,000	19,572
Income		
Specific purpose grants for on-passing	–	100
Total grants	16,000	19,672

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

General purposes grants are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers. These grants relate to the provision of operating funding.

Revenue is recognised when SSCT satisfies the performance obligation by acquitting on the relevant milestones to the Department. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

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

In September 2022, the *State Sport Centres Act 1994* was amended to, amongst other matters, make the SSCT responsible for the management of the Knox Regional Sports Park. This resulted in the gifting of the existing land and buildings from Knox City Council to the State Sport Centres Trust. This information is detailed in Note 4.1 *Property, plant and equipment*.

2.2.1 Assets gifted by Government

	2024 \$ '000	2023 \$ '000
Assets gifted by Government	–	56,870
Total assets gifted by Government	–	56,870

2.3 Interest

	2024 \$ '000	2023 \$ '000
Interest on bank deposits	1,334	1,109
Total interest	1,334	1,109

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

3. Our costs of delivering goods and services

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

3.1 Employee benefit expenses

	2024 \$ '000	2023 \$ '000
Salaries and wages, annual leave and long service leave	14,967	13,719
Defined contribution superannuation expense	1,563	1,392
Other employee expenses	1,672	1,308
Total employee expenses	18,202	16,419

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

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

3.2 Grant expenses

	2024 \$ '000	2023 \$ '000
Specific purpose grants for on-passing	-	-
Payments for specific purpose	-	120
Total grant expenses	-	120

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

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

ANNUAL FINANCIAL STATEMENTS

Notes to the financial statements For the financial year ended 30 June 2024

3.3 Other operating expenses

	2024 \$ '000	2023 \$ '000
Cleaning and chemicals	3,329	2,807
Car parking	595	536
Utilities	3,646	2,929
Cost of goods sold	1,849	1,686
Maintenance	3,696	3,475
Information and communications technology	966	871
Insurance expenses	507	475
Sport rebates	642	522
Security	414	391
Other operating supplies	4,078	3,318
Total other operating expenses	19,722	17,010

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

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

4. Our key assets

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

Significant judgement: Fair value measurement

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

4.1 Property, plant and equipment

	2024 \$ '000	2023 \$ '000
LAND AT FAIR VALUE		
Gross carrying amount	386,740	386,740
Net carrying amount	386,740	386,740
BUILDINGS AT FAIR VALUE		
Gross carrying amount	345,082	345,083
Accumulated depreciation	(67,173)	(58,281)
Net carrying amount	277,909	286,802
PLANT AND EQUIPMENT AT FAIR VALUE		
Gross carrying amount	86,487	37,148
Accumulated depreciation	(78,739)	(23,593)
Net carrying amount	7,748	13,555
LEASEHOLD IMPROVEMENTS AT FAIR VALUE		
Gross carrying amount	39,614	54,772
Accumulated depreciation	(37,568)	(34,387)
Net carrying amount	2,046	20,385
ASSETS UNDER CONSTRUCTION AT COST		
Gross carrying amount	137,726	130,483
Net carrying amount	137,726	130,483
TOTAL PROPERTY, PLANT AND EQUIPMENT		
Gross carrying amount	995,649	954,226
Accumulated depreciation	(183,480)	(116,261)
Net carrying amount	812,169	837,965

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

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Notes to the financial statements For the financial year ended 30 June 2024

4.1(a) Total right of use assets: plant and equipment

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

	2024 \$ '000	2023 \$ '000
PLANT AND EQUIPMENT AT FAIR VALUE		
Gross carrying amount	96	96
Accumulated depreciation	(88)	(81)
Net carrying amount	9	15

Initial recognition

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

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

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

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

- any lease payments made at or before the commencement date less any lease incentive received, plus
- any initial direct costs incurred.

Subsequent measurement

Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment.

Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Right-of-use asset – Subsequent measurement

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

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

Specialised land and specialised buildings

The market approach is used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

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

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

Plant and equipment and leasehold improvements

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

There were no changes in valuation techniques throughout the period to 30 June 2024.

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

Revaluations of property, plant and equipment

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in Financial Reporting Direction 103 Non-Financial Physical Assets (FRD 103).

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

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 103.

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

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

Accounting for revaluation movements

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

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

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

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

Impairment of property, plant and equipment

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

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Notes to the financial statements For the financial year ended 30 June 2024

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

	LAND AT FAIR VALUE \$ '000	BUILDINGS AT FAIR VALUE \$ '000	PLANT AND EQUIPMENT AT FAIR VALUE \$ '000	LEASEHOLD IMPROVEMENTS AT FAIR VALUE \$ '000	ASSETS UNDER CONSTRUCTION AT COST ^(a) \$ '000	TOTAL \$ '000
Balance at 30 June 2022	361,400	261,660	17,565	18,083	60,121	718,829
Additions	25,340	31,152	-	-	78,842	135,334
Transfers in/out of assets under construction	-	2,243	(978)	7,215	(8,480)	-
Depreciation	-	(8,253)	(3,032)	(4,913)	-	(16,198)
Balance at 30 June 2023	386,740	286,802	13,555	20,385	130,483	837,965
Additions	-	-	-	-	16,033	16,033
Disposals	-	-	-	-	-	-
Transfers in/out of assets under construction	-	(1)	8,854	(63)	(8,790)	-
Revaluation of PPE recognised in other economic flows – other comprehensive income ^(b)	-	-	(2,008)	-	-	(2,008)
Depreciation	-	(8,892)	(1,736)	(2,934)	-	(13,562)
Revaluation of PPE recognised in other economic flows included in net result ^(b)	-	-	(10,917)	(15,342)	-	(26,259)
Balance at 30 June 2024	386,740	277,909	7,748	2,046	137,726	812,169

Notes:

(a) Assets under construction at cost includes funding paid for the redevelopment of the State Basketball Centre within the Knox Regional Sports Park and Assets Gifted by Government as outlined in Note 2.2.1 Assets gifted by Government.

(b) An extensive asset audit was performed during the FY24 period of all SSCT assets, excluding State Basketball Centre assets and all Buildings and Land. The outcomes and subsequent revaluations were recognised in line with AASB 136.

4.1.2 Depreciation

	2024 \$ '000	2023 \$ '000
Buildings	8,892	8,253
Plant and equipment	1,736	3,032
Leasehold improvements	2,934	4,913
Total depreciation	13,562	16,198

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

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

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

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

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

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

4.2 Capital expenditure commitments

	2024 \$ '000	2023 \$ '000
Not later than one year	2,605	4,604
Total capital expenditure commitments	2,605	4,604

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

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Notes to the financial statements For the financial year ended 30 June 2024

5. Our cash flow and working capital

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

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

5.1 Cash flow information and balances

	2024 \$ '000	2023 \$ '000
Cash at bank	26,277	28,047
Total cash and cash equivalents	26,277	28,047

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

5.1.1 Reconciliation of net (deficit)/surplus for the period to cash flow from operating

	2024 \$ '000	2023 \$ '000
Net result for the period	(37,085)	47,547
NON-CASH MOVEMENTS		
Depreciation and loss on revaluation of assets	39,821	16,198
Other non cash movements	-	(56,870)
MOVEMENTS IN ASSETS AND LIABILITIES		
(Increase)/decrease in receivables	(634)	774
(Increase)/decrease in inventories	(15)	(34)
(Increase)/decrease in other assets	(45)	(90)
Increase/(decrease) in payables	677	1,320
Increase/(decrease) in provisions	64	(16)
Net cash flows from operating activities	2,783	8,829

5.2 Receivables

	2024 \$ '000	2023 \$ '000
CONTRACTUAL		
Trade debtors	1,596	1,288
Accrued income	420	174
STATUTORY		
GST input tax credit recoverable	39	(41)
Total receivables	2,055	1,421
REPRESENTED BY		
<i>Current receivables</i>	2,055	1,421

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

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

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

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Notes to the financial statements For the financial year ended 30 June 2024

5.3 Payables

	2024 \$ '000	2023 \$ '000
CONTRACTUAL		
Trade creditors	2,205	1,107
Accrued expenses	3,747	3,517
Unearned income	465	517
STATUTORY		
Total payables	6,417	5,141
REPRESENTED BY		
<i>Current payables</i>	<i>6,417</i>	<i>5,141</i>

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the SSCT prior to the end of the financial year that are unpaid, and
- statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Contract liabilities

	2024 \$ '000	2023 \$ '000
Opening balance brought forward from 30 June 2023	516	495
Payments received for performance obligations yet to be completed during the period	589	516
Revenue recognised in the reporting period for the completion of a performance obligation	(516)	(495)
Total contract liabilities	589	516
REPRESENTED BY:		
<i>Current contract liabilities</i>	<i>589</i>	<i>516</i>

Contract liabilities includes deposits received in advance from customers in respect of facility hire and events. Invoices are raised in the weeks leading up to the event, dependent on specific terms agreed with each hirer. ^(a)

Maturity analysis of contractual payables^(a)

	CARRYING AMOUNT \$ '000	NOMINAL AMOUNT \$ '000	NOT PAST DUE AND NOT IMPAIRED \$ '000	MATURITY DATES		
				LESS THAN 1 MONTH \$ '000	1-3 MONTHS \$ '000	3 MONTHS - 1 YEAR \$ '000
2024						
Trade creditors	2,205	2,205	2,121	24	62	(2)
Accrued expenses	3,747	3,747	3,747	-	-	-
Unearned Income	589	589	589	-	-	-
Total	6,541	6,541	6,457	24	62	(2)
2023						
Trade creditors	1,095	1,095	747	128	199	21
Accrued expenses	3,513	3,513	3,513	-	-	-
Unearned Income	517	517	517	-	-	-
Total	5,125	5,125	4,777	128	199	21

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

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Notes to the financial statements For the financial year ended 30 June 2024

5.4 Inventories

	2024 \$ '000	2023 \$ '000
Supplies and consumables at cost	137	122
Total inventories	137	122

Inventories are measured at the lower of cost and net realisable value using the weighted average cost basis. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

5.5 Other non-financial assets

	2024 \$ '000	2023 \$ '000
Prepayments	760	124
Total current other assets	760	124
Total other assets	760	124

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

5.6 Borrowings

	2024 \$ '000	2023 \$ '000
Lease liabilities ^(a)	30	32
Total current borrowings	30	32
Lease liabilities ^(a)	4	10
Total non-current borrowings	4	10
Total borrowings	34	42

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

Borrowings refer to lease liabilities.

Maturity analysis of borrowings

	CARRYING AMOUNT \$ '000	NOMINAL AMOUNT \$ '000	MATURITY DATES			
			LESS THAN 1 YEAR \$ '000	1-2 YEARS \$ '000	2-3 YEARS \$ '000	3+ YEARS \$ '000
2024						
Lease liabilities	34	34	34	-	-	-
Total	34	34	34	-	-	-
2023						
Lease liabilities	42	42	42	-	-	-
Total	42	42	42	-	-	-

5.7 Leases

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

SSCT's leasing activities

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

5.7 (a) Right-of-use Assets

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

5.7 (b) Amounts recognised in the comprehensive operating statement

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

	2024 \$ '000	2023 \$ '000
Interest expense of lease liabilities	-	1
Total amount recognised in the Comprehensive Operating Statement	-	1

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Notes to the financial statements For the financial year ended 30 June 2024

5.7 (c) Amounts recognised in the cash flow statement

The following amounts are recognised in the Cash flow Statement for the year ending 30 June 2024 relating to leases.

	2024 \$ '000	2023 \$ '000
Total cash outflows for leases	7	9

5.7 (d) Minimum future lease payments

		Minimum future lease payments		Present value of minimum future lease payments	
	NOTES	2024	2023	2024	2023
Not longer than 1 year		6	9	6	8
Longer than 1 year but not longer than 5 years		-	7	-	6
Minimum future lease payments		6	17	6	15
Less future finance charges		(1)	(2)	-	-
Present value of minimum lease payments		5	15	6	15
Included in the financial statements as:		-	-	-	-
Current borrowings lease liabilities	7.1.1	32	-	-	42
Non-current borrowings lease liabilities	7.1.1	4	-	-	-
Total		36	-	-	42

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

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

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

Separation of lease and non-lease components

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

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

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

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

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

Lease liability – subsequent measurement

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

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

Short-term leases and leases of low-value assets

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

Presentation of right-of-use assets and lease liabilities

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

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Notes to the financial statements For the financial year ended 30 June 2024

6. Our people

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

6.1 Employee benefits on the balance sheet

	2024 \$ '000	2023 \$ '000
CURRENT PROVISIONS		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	501	484
Unconditional and expected to settle after 12 months	59	65
<i>Long service leave</i>		
Unconditional and expected to settle within 12 months	13	11
Unconditional and expected to settle after 12 months	190	181
<i>Provision for on-costs</i>		
Unconditional and expected to settle within 12 months	86	84
Unconditional and expected to settle after 12 months	42	42
Total current provisions for employee benefits	891	866
NON-CURRENT PROVISIONS		
Employee benefits	115	82
On-costs	20	14
Total non-current provisions for employee benefits	135	96
Total provisions for employee benefits	1,026	962

Reconciliation of movement in on cost provision

	2024 \$ '000	2023 \$ '000
OPENING BALANCE	139	147
Additional provisions recognised	9	-
Reductions arising from payments/other sacrifices of future economic benefits	-	(8)
Total on-cost provision	148	139
CLOSING BALANCE		
<i>Represented by:</i>		
Current provisions for employee benefits	128	125
Non-current provisions for employee benefits	20	14

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the SSCT does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the SSCT expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

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

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

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

Unconditional long service leave (LSL) is disclosed as a current liability; even where the SSCT does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

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

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

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Notes to the financial statements For the financial year ended 30 June 2024

6.2 Superannuation contributions

	PAID CONTRIBUTION FOR THE YEAR \$ '000		CONTRIBUTION OUTSTANDING AT YEAR END \$ '000		TOTAL \$ '000	
	2024	2023	2024	2023	2024	2023
DEFINED CONTRIBUTION PLANS						
VicSuper	460	504	40	-	500	504
Other	971	937	92	-	1,063	937
Total superannuation contributions	1,431	1,441	132	-	1,563	1,441

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

6.3 Responsible persons

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

Names

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

	Name	Period
Responsible Ministers:		
Minister for Tourism, Sport and Major Events	Steve Dimopoulos MP	1 July 2023 to 30 June 2024
Minister for Community Sport	The Hon. Ros Spence MP	1 July 2023 to 30 June 2024
Trust Members:		
Trust Chairperson	Tracey Cooper	1 July 2023 to 30 June 2024
Trust Member	Michael Ronaldson	1 July 2023 to 30 June 2024
Trust Member	Marie-Claire Putrino	1 July 2023 to 30 June 2024
Trust Member	Ken Ryan	1 July 2023 to 30 June 2024
Trust Member	Gerard McMahon	1 July 2023 to 30 June 2024
Trust Member	Clare Dallat	1 July 2023 to 30 June 2024
Trust Member	Jeff Floyd	1 July 2023 to 30 June 2024
Accountable Officers:		
Chief Executive Officer	Kate Roffey	1 July 2023 to 30 June 2024

Remuneration

	2024	2023
\$0 - \$9,999	-	1
\$10,000 - \$19,999	6	6
\$20,000 - \$29,999	1	1
\$70,000 - \$79,999	-	-
\$120,000 - \$129,999	-	-
\$210,000 - \$219,999	-	-
\$300,000 - \$309,999	-	-
\$390,000 - \$399,999	1	1
Total responsible persons	8	9

Remuneration received or receivable by the Accountable Officers in connection with the management of the SSCT during the reporting period was in the range: \$390,000 - \$399,999 (\$390,000 - \$399,999 in 2022-23).

6.4 Remuneration of executives

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

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

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

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

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

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

	2024 \$ '000	2023 \$ '000
Short-term employee benefits	875	651
Post-employment benefits	96	68
Other long-term benefits	81	-
Total remuneration	1,052	720
Total number of executives	5	6
Total annualised employee equivalents	4	3

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

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Notes to the financial statements For the financial year ended 30 June 2024

6.5 Related parties

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

Related parties of the SSCT include:

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

Significant transactions with government-related entities

The SSCT received funding from the Department of Jobs, Precincts and Regions of \$16m in 2023-24.

The SSCT paid funding to Development Victoria of \$6.6m in 2023-24.

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

Remuneration of key management personnel

Key management personnel of the agency include the Portfolio Ministers, Steve Dimopoulos and the Hon. Ros Spence MP; the Accountable Officer, Kate Roffey; and members of the Trust.

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Ministers remuneration and allowances is set by the *Parliamentary Salaries Allowances and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

	2024 \$ '000	2023 \$ '000
Short-term employee benefits	512	498
Post-employment benefits	38	36
Total remuneration^(a)	550	534

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

Transactions and balances with key management personnel and other related parties

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

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

7. Our risks, contingencies and valuation judgements

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

7.1 Financial instrument specific disclosures

Introduction

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

Financial assets at amortised cost

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

- the assets are held by the SSCT 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 SSCT recognises the following assets in this category:

- cash and deposits, and
- receivables (excluding statutory receivables)

Categories of financial liabilities

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in the SSCT's own credit risk. In this case, the portion of the change attributable to changes in the SSCT's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

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

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

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Notes to the financial statements For the financial year ended 30 June 2024

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the SSCT 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 SSCT does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

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

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments:

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

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

7.1.1 Financial instruments – categorisation

2024	CASH AND DEPOSITS \$ '000	FINANCIAL ASSETS AT AMORTISED COST \$ '000	FINANCIAL LIABILITIES AT AMORTISED COST \$ '000	TOTAL \$ '000
CONTRACTUAL FINANCIAL ASSETS				
Cash and cash equivalents	26,277	-	-	26,277
Receivables^(a)				
Trade debtors	-	1,596	-	1,596
Accrued income	-	420	-	420
Total contractual financial assets	26,277	2,016	-	28,293
CONTRACTUAL FINANCIAL LIABILITIES				
Payables^(a)				
Trade creditors	-	-	2,205	2,205
Accrued expenses	-	-	3,747	3,747
Unearned income	-	-	465	465
Borrowings				
Lease liabilities	-	-	34	34
Total contractual financial liabilities	-	-	6,451	6,451

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

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Notes to the financial statements For the financial year ended 30 June 2024

2023	CASH AND DEPOSITS \$ '000	FINANCIAL ASSETS AT AMORTISED COST \$ '000	FINANCIAL LIABILITIES AT AMORTISED COST \$ '000	TOTAL \$ '000
CONTRACTUAL FINANCIAL ASSETS				
Cash and cash equivalents	28,047	-	-	28,047
Receivables^(a)				
Trade debtors	-	1,288	-	1,288
Accrued income	-	174	-	174
Total contractual financial assets	28,047	1,462	-	29,509
CONTRACTUAL FINANCIAL LIABILITIES				
Payables^(a)				
Trade creditors	-	-	1,107	1,107
Accrued expenses	-	-	3,517	3,517
Unearned income	-	-	517	517
Borrowings				
Lease liabilities	-	-	42	42
Total contractual financial liabilities	-	-	5,183	5,183

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

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

2024	TOTAL INTEREST INCOME/(EXPENSE) \$ '000	IMPAIRMENT LOSS \$ '000	TOTAL \$ '000
CONTRACTUAL FINANCIAL ASSETS			
Financial assets – loans and receivables	1,334	(12)	1,322
Total contractual financial assets	1,334	(12)	1,322
2023	TOTAL INTEREST INCOME/(EXPENSE) \$ '000	IMPAIRMENT LOSS \$ '000	TOTAL \$ '000
CONTRACTUAL FINANCIAL ASSETS			
Financial assets – loans and receivables	1,109	(8)	1,101
Total contractual financial assets	1,109	(8)	1,101

There were no net holding gains/(losses) or fee income/(expenses). Impairment losses on any financial instruments held were \$12,000 (\$8,000 in 2022-23).

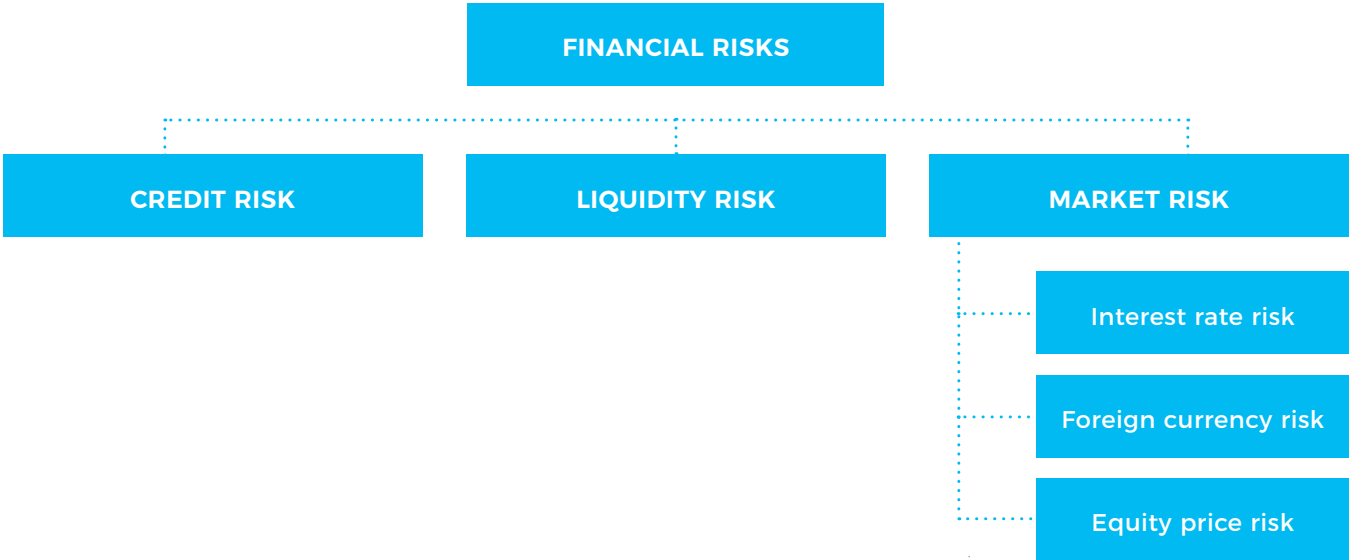
The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, financial assets at amortised cost and debt instruments that are classified as financial assets at fair value through other comprehensive income, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

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Notes to the financial statements For the financial year ended 30 June 2024

7.1.3 Financial risk management objectives and policies



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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage SSCT’s financial risks within the government policy parameters.

SSCT’s main financial risks include credit risk, liquidity risk and interest rate risk. The SSCT manages these financial risks in accordance with its financial risk management policy.

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

Financial instruments – credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. SSCT’s exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the SSCT. Credit risk is measured at fair value and is monitored on a regular basis.

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

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

In addition, the SSCT does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, SSCT’s policy is to only deal with banks with high credit ratings.

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

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

There has been no material change to SSCT's credit risk profile in 2023/24.

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

	FINANCIAL INSTITUTIONS (TRIPLE-A CREDIT RATING) \$ '000	GOVERNMENT AGENCIES (TRIPLE-A CREDIT RATING) \$ '000	OTHER (MIN TRIPLE-B CREDIT RATING)	TOTAL \$ '000
2024				
FINANCIAL ASSETS				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and deposits (not assessed for impairment due to materiality)	26,277	-	-	26,277
Total financial assets	26,277	-	-	26,277

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

	FINANCIAL INSTITUTIONS (TRIPLE-A CREDIT RATING) \$ '000	GOVERNMENT AGENCIES (TRIPLE-A CREDIT RATING) \$ '000	OTHER (MIN TRIPLE-B CREDIT RATING)	TOTAL \$ '000
2023				
FINANCIAL ASSETS				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and deposits (not assessed for impairment due to materiality)	28,047	-	-	28,047
Statutory receivables (with no impairment loss recognised)	-	-	1,299	1,299
Total financial assets	28,047	-	1,299	29,346

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

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Notes to the financial statements For the financial year ended 30 June 2024

Impairment of financial assets under AASB 9

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

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

Contractual receivables at amortised cost

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

On this basis, the SSCT determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as follows:

30 JUNE 2024	CURRENT	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1 - 5 YEARS	TOTAL
LOSS ALLOWANCE (%)	-	-	-	-	-	-
Gross carrying amount of contractual receivables	705	337	178	376		1,596
Loss allowance	-	-	-	-	-	-

30 JUNE 2023						
LOSS ALLOWANCE (%)	-	-	-	-	-	-
Gross carrying amount of contractual receivables	275	303	188	522	-	1,288
Loss allowance	-	-	-	-	-	-

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

Statutory receivables at amortised cost

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

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

Financial instruments – liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The SSCT operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

SSCT is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The SSCT manages its liquidity risk by:

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

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

Financial instruments – market risk

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

Sensitivity disclosure analysis and assumptions

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

- a movement of 100 basis points up and down (FY23: 100 basis points up and down) in market interest rates (AUD).

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

Interest rate risk

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The SSCT has minimal exposure to cash flow interest rate risks through cash and cash equivalents that are at floating rate.

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

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Notes to the financial statements For the financial year ended 30 June 2024

Interest rate exposure of financial instruments

2024	WEIGHTED AVERAGE INTEREST RATE (%)	CARRYING AMOUNT \$ '000	VARIABLE INTEREST RATE \$ '000	NON-INTEREST BEARING \$ '000
FINANCIAL ASSETS				
Cash and cash equivalents	-	26,277	26,277	-
Receivables				
Trade debtors	N/A	1,596	-	1,596
Accrued income	N/A	174	-	174
Total financial assets		28,047	26,277	1,770
Payables				
Trade creditors	N/A	2,205	-	2,205
Accrued expenses	N/A	3,747	-	3,747
Borrowings				
Lease Liabilities	-	34	34	-
Advances from government	N/A	-	-	-
Total financial liabilities	-	5,986	34	5,952

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

2023	WEIGHTED AVERAGE INTEREST RATE (%)	CARRYING AMOUNT \$ '000	VARIABLE INTEREST RATE \$ '000	NON-INTEREST BEARING \$ '000
FINANCIAL ASSETS				
Cash and cash equivalents	-	28,047	28,047	-
Receivables				
Trade debtors	N/A	1,288	-	1,288
Accrued income	N/A	174	-	174
Total financial assets		29,509	28,047	1,462
Payables				
Trade creditors	N/A	1,095	-	1,095
Accrued expenses	N/A	3,517	-	3,517
Borrowings				
Lease Liabilities	-	42	42	-
Total financial liabilities		4,654	42	4,612

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

Interest rate risk sensitivity

	CARRYING AMOUNT \$ '000	-100 BASIS POINTS NET RESULT/ EQUITY	+100 BASIS POINTS NET RESULT/ EQUITY
2024			
Cash and cash equivalents	26,277	(263)	(263)
Total impact	26,277	(263)	(263)
2023			
Cash and cash equivalents	28,047	(280)	(280)
Total impact	28,047	(280)	(280)

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Notes to the financial statements For the financial year ended 30 June 2024

Foreign currency risk

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

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

7.2 Contingent assets and contingent liabilities

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

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

As at 30 June 2024, the SSCT does not hold any contingent assets (2023: nil).

Contingent liabilities

Contingent liabilities are:

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

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

As at 30 June 2024, the SSCT does not hold any contingent liabilities (2023: nil).

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- land, buildings, plant and equipment.

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

Fair value hierarchy

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

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

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

The SSCT, in conjunction with the Valuer-General Victoria (VGV) and other external valuers, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

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

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

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

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Notes to the financial statements For the financial year ended 30 June 2024

7.3.1 Fair value determination of financial assets and liabilities

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

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

The SSCT currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2023/24 reporting period.

These financial instruments include:

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

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

7.3.2 Fair value determination of non-financial physical assets

	CARRYING AMOUNT '000	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING		
		LEVEL 1 '000	LEVEL 2 '000	LEVEL 3 '000
2024				
Specialised land	386,740	-	-	386,740
Specialised buildings	277,909	-	-	277,909
Plant and equipment	7,748	-	-	7,748
Leasehold improvements	2,046	-	-	2,046
Total non-financial physical assets at fair value	674,443	-	-	674,443
2023				
Specialised land	386,740	-	-	386,740
Specialised buildings	286,802	-	-	286,802
Plant and equipment	13,555	-	-	13,555
Leasehold improvements	20,385	-	-	20,385
Total non-financial physical assets at fair value	707,482	-	-	707,482

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

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

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Notes to the financial statements For the financial year ended 30 June 2024

Reconciliation of Level 3 fair value movements

	SPECIALISED LAND \$ '000	SPECIALISED BUILDINGS \$ '000	PLANT AND EQUIPMENT \$ '000	LEASEHOLD IMPROVEMENTS \$ '000	TOTAL \$ '000
Balance at 1 July 2022	361,400	261,659	17,565	18,083	658,707
Purchases/(sales)	25,340	33,396	(978)	7,215	64,973
GAINS OR LOSSES RECOGNISED IN NET RESULT					
Depreciation	-	(8,253)	(3,032)	(4,913)	(16,198)
Revaluation	-	-	-	-	-
Sub-total	-	(8,253)	(3,032)	(4,913)	(16,198)
Balance at 30 June 2023	386,740	286,802	13,555	20,385	707,482
Purchases/(sales)		(1)	8,854	(63)	8,790
GAINS OR LOSSES RECOGNISED IN NET RESULT					
Depreciation	-	(8,892)	(1,736)	(2,934)	(13,562)
Revaluation	-	-	(10,917)	(15,342)	(26,259)
Sub-total	-	(8,892)	(12,653)	(18,276)	(39,821)
GAINS OR LOSSES RECOGNISED IN OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME					
Revaluation	-	-	(2,008)	-	(2,008)
Sub-total	-	-	(2,008)	-	(2,008)
Balance at 30 June 2024	386,740	277,909	7,748	2,046	674,443

Description of significant unobservable inputs to Level 3 valuations

2024 AND 2023	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS
Specialised land	Market approach	Community service obligation (CSO) adjustment	An increase/(decrease) in the CSO adjustment would result in a lower/(higher) fair value.
Specialised buildings	Current replacement cost	Direct cost per square metre	An increase/(decrease) in direct cost per square metre would result in a higher/(lower) fair value.
		Useful life	An increase/(decrease) in useful life would result in a lower/(higher) fair value.
Plant and equipment and leasehold improvements	Current replacement cost	Purchase price	An increase/(decrease) in purchase price would result in a higher/(lower) fair value.
		Useful life	An increase/(decrease) in useful life would result in a lower/(higher) fair value.

8. Other disclosures

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

8.1 Remuneration of auditors

	2024 \$ '000	2023 \$ '000
VICTORIAN AUDITOR-GENERAL'S OFFICE		
Audit or review of the financial statements	37	45
Total remuneration of auditors	37	45

8.2 Subsequent events

SSCT is, and remains, wholly dependent on the continued support of the Government to provide funding to support its operations. The SSCT has received the operational funding that it requested from the Victorian Government for the 2024/25 financial year.

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

8.3 Other accounting policies

8.3.1 Accounting for goods and services taxes

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

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

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

8.3.2 Contributions by owners

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

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

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

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Notes to the financial statements For the financial year ended 30 June 2024

8.4 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2023-24 reporting period. These accounting standards have not been applied to the Financial Statements. SSCT is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.*

This Standard amends *AASB 13 Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

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

- *AASB 17 Insurance Contracts.*
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.*
- *AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments.*
- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector.*



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