MELBOURNE CONVENTION EXHIBITION CENTRE

Melbourne Convention and Exhibition Trust

Annual Report 2021–2022

Acknowledgement of Country

Built on the banks of the Birrarung (Yarra River), Melbourne Convention and Exhibition Centre (MCEC) acknowledges the Traditional Owners of Narrm, the Wurundjeri Woi Wurrung people of the Kulin nation.

We pay our respects to their Elders past and present, and to Elders of all First Nations communities that visit MCEC. We recognise the significance of the Birrarung to Traditional Owners as a life source and a meeting place and seek to honour a 40,000-year tradition of building community and exchanging ideas on these lands.

Contents

Chairperson's foreword	**2**
Report of operations	**5**
History and background	5
Year in review	6
Strategic pillars	6
Purpose and functions	6
Objectives, indicators and outputs	7
Financial information summary	11
Governance and organisational structure	**13**
The Trust's minister	13
Trustees	13
Trust information	15
Executive management	17
Organisation structure	18
Occupational health and safety	19
Other disclosures	**20**
Financial statements	**24**
Disclosure index	**65**

Melbourne Convention and Exhibition Trust
1 Convention Centre Place
South Wharf Victoria
Australia 3006

T +613 9235 8000
F +613 9235 8001

ABN 17 434 286 169
mcec.com.au

Chairperson's foreword

In accordance with the *Financial Management Act 1994*, I am pleased to provide the Melbourne Convention and Exhibition Trust (the Trust) Annual Report for the year ended 30 June 2022.

This report provides consolidated information on the activities of the organisation, as operator of the Melbourne Convention and Exhibition Centre (MCEC) located in South Wharf, Victoria, and the future operator of the Geelong Convention and Exhibition Centre, planned to open in 2026.

MCEC comprises the Melbourne Exhibition Centre, opened in February 1996, the Melbourne Convention Centre, opened in June 2009, and the MCEC expansion, opened in July 2018. These three fully integrated facilities trade as Melbourne Convention and Exhibition Centre, under the direction of the Trust.

The 2021/22 financial year has certainly been one of recovery and transformation for MCEC. After the challenges of the 2020/21 financial year, we finally re-opened for events in earnest in late 2021 and had record demand for business in 2022.

The total revenue from sales of goods and services was $38.9 million. This compares to a event revenue of $11.6 million last year. This was a really positive year for MCEC, off the back of difficulties associated with successive COVID-19 lockdowns.

Like many businesses and organisations across Australia and the world, we continued to face the challenges of the pandemic in the second half of 2021. The impact of COVID-19 and associated public gathering restrictions on our business over the past two financial years cannot be understated. Our venue was closed for 89 days during two lockdowns from July to October 2021, only reopening with capacity limits at the end of October.

Despite the challenges presented by the pandemic, we have not stood still as an organisation, and have used the opportunity to transform the structure of the business. We wanted to embed our already strong customer-centric culture with a structure to match and an ability to remain nimble, so we have introduced Agile ways of working. Following a comprehensive review and phased introduction, we now have a new business model in place that makes us more competitive moving forward.

We are continuing to recover from the impacts of the pandemic and our revenue and operations are steadily on track to return in the coming years to the record levels we saw pre-pandemic. While the 2022 calendar year has seen us move beyond the impacts of COVID restrictions, our revenue has been limited by national and global workforce challenges.

We have had record demand for business following years of pent-up demand, but our inability to secure enough staff has restricted our ability to take advantage of this and delayed our opportunity to return to being a self-funded entity as quickly as we would like. Until we return to pre-pandemic revenue levels, MCEC will continue to rely on the Victorian Government for its ongoing operational funding.

Despite this, we remain a world-leader in the business events sector, continuing to make a significant contribution to the Victorian economy. For the 2021/22 financial year, MCEC recorded $38.9 million in revenue, compared to $11.6 million in 2020/21.

Even with a reduction in activity in the second half of 2021 due to venue closures, we played host to a diverse range of events, conferences, and exhibitions. In total, 349 events were held at the venue, up from 154 events the previous year, representing a 126 per cent increase. This is largely attributable to our strong recovery post-pandemic, with 264 planned events cancelled, compared to 293 planned events cancelled in the 2020/21 financial year.

The events that did occur included:

- 1 international exhibition
- 43 national conferences and exhibitions
- 56 local conferences and exhibitions
- 25 concerts and/or ticketed events

Events staged at MCEC attracted 387,586 attendees, 193,285 of whom visited with the purpose of attending an exhibition. Concerts and ticketed events attracted 130,152 attendees. In total, including event attendees, visitors to our cafes, and THE LUME Melbourne, we welcomed 1.6 million visitors to the venue overall - more than four times last year's visitor numbers. THE LUME Melbourne continues to be a major drawcard, attracting more than 520,000 visitors, and raising our public visitation for the year.

A total of 1,543 international delegates (6,014 delegate days) and 386,043 national delegates (4,527,595 delegate days) attended conferences and exhibitions held at MCEC in 2021/22.

Significant events hosted during 2021/22 included:

- 2022 NAIDOC Week Awards Ceremony
- THE LUME – Van Gogh Experience
- TEG Life Like Touring Space Jam: A New Legacy - The Tunes vs Goons Experience
- AIME 2022
- Good Friday Appeal Kids Day Out®

- Endemol Shine Australia - MasterChef Series
- Victorian Multicultural Commission Cultural Diversity Week - Premiers Gala Dinner 2022
- Melbourne Symphony Orchestra - Fantasia in Concert
- SLB FIGHT NIGHT PRESENTS: Zerafa vs Hardman
- Oz Comic Con
- Melbourne Art Fair
- FoodService Australia
- Cat Lovers Show
- National Housing Conference 2022
- CheerCon VIC State Championships
- 2022 Federal Election
- 2022 Toyota AFL Season Launch at THE LUME Melbourne
- Good Food and Wine Show 2022
- Starlight Children's Foundation Five Chefs Dinner 2021
- Quentron T/A Tim Woods Entertainment Present Love Actually in Concert
- Australasian Sonography Association - Annual International Conference

Collectively, these events and our other associated activities contributed more than $383 million in economic impact to Victoria for the 2021/22 year. This is an increase on the previous year due to our strong business recovery following the impacts of coronavirus, and this reiterates the importance of business events to our state's future recovery.

The Trust remains committed to supporting the activities of the Melbourne Convention Bureau (MCB) to attract new international business. On the major event front we have also welcomed new international business with the announcement that the Global Entrepreneurship Congress will be held at MCEC in May 2023, the first time the annual event will be held in Australia.

MCEC also continues to manage the Club Melbourne Ambassador Program, which supports leading Melbournians to establish, secure and host international conferences in our city. This promotes Melbourne's expertise around the world, boosts the economy and brings thought leadership to the city, and will play an important role in future economic recovery for the state.

During the financial year, Club Melbourne Ambassadors were involved in 38 per cent of all future international conferences secured for Melbourne and to be held at MCEC in collaboration with MCB. Additionally, there are 7 active and pending business leads for which we expect final location decisions to be made in 2022/23.

Despite the lessening impact of COVID-19, the comprehensive VenueSafe plan we developed ensured our safe return to full operation. MCEC is also proud to have housed one of the largest vaccination hubs in Victoria across the COVID-19 pandemic, contributing to the State's successful vaccination program. The venue administered more than 280,000 vaccine doses, helping to reach vaccination milestones and protect the community, enabling the state to reopen safely.

MCEC continues to focus on enhancing its sustainability credentials and in July 2021 we launched our new five-year Sustainability Strategy with the aim of achieving net zero carbon emissions by 2030. We're working to eliminate unnecessary and problematic single-use plastics, divert 90 per cent of waste from landfill by 2025, and to be completely powered by renewable electricity by 2028.

We have also entered a formal partnership with charity OzHarvest and the venue continued its food waste capture, with 5,960kgs of food donated in 2021/22. Through the partnership, we now help deliver the Cooking For a Cause initiative allowing OzHarvest to utilise our kitchen facilities to run corporate cooking days for businesses.

The Melbourne Skyfarm project, a Victorian first, where a large section of our Siddeley St car park in the heart of the Melbourne CBD has been transformed into a thriving urban farm has continued its development. Works are continuing over the next 6 months on this new rooftop city oasis, which when complete, will feature sustainable and contemporary hospitality sites, environmental education, business conference facilities and event spaces.

Victoria's 91st Good Friday Appeal also had a hugely successful return to MCEC welcoming almost 80,000 visitors for Kids Day Out. The Appeal raised a record-breaking $22 million to support Melbourne's Royal Children's Hospital.

The Victorian Government also announced this year that the Melbourne Convention and Exhibition Trust (MCET) will operate the new Geelong Convention and Exhibition Centre (GCEC) that will open in 2026.

GCEC will be located on the Geelong Waterfront precinct as part of the Geelong City Deal - a partnership between the Australian and Victorian Governments, together with the City of Greater Geelong. It will be a major driver of jobs and economic growth for the City of Greater Geelong and surrounding areas, supporting 600 jobs during construction and an additional 270 ongoing jobs throughout operation.

After an incredible eleven years at the helm of the Melbourne Convention and Exhibition Centre, Chief Executive Peter King announced he will conclude his tenure during the 2022/23 Financial Year.

Peter has achieved incredible things with the MCEC team, including the delivery of the Melbourne Convention and Exhibition Centre expansion which has seen the venue cement its

flagship status as the region's premier home of business events.

Over my time as Chair since 2017, I have valued Peter's strategic counsel, emotional intelligence, confident leadership, and industry insight. I know these are traits that my predecessor Robert Annells also benefited from during his time as Chair.

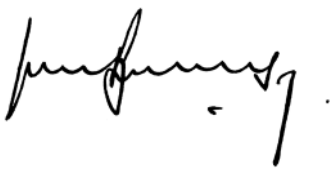
These have been especially important attributes over the last two years, during which Peter has steered the organisation through great uncertainty in the face of the pandemic, as well as overseeing a major transformation to the organisation's operating model.

With all that said, I am incredibly proud of the hard work of my fellow Trust members, the Executive and the whole MCEC team, who have successfully steered the organisation through the pandemic onto a course for strong recovery and growth.

I would also like to thank the Minister for Tourism, Sport and Major Events, The Hon. Steve Dimopoulos, as well as our former Minister the Hon. Martin Pakula MP, who announced he would retire at the November state election and stepped down from his ministerial roles during the year. In addition, our colleagues at the Department of Jobs, Precincts and Regions, for their support and guidance which has proved especially valuable during the challenges of the last year.

Although we have faced external challenges throughout the financial year, from lockdowns to global workforce shortages, we continue to overcome these, and it has been an incredibly encouraging year of recovery for MCEC. We have welcomed back international delegates, seen demand for events return faster than anyone expected, and are on course to return to our pre-pandemic business levels in the coming years.

I'm optimistic about our future as we continue to innovate, explore new opportunities, attract more visitors to Melbourne, and provide incredible experiences to the people of Victoria.



The Hon John Brumby AO
Chairperson
Melbourne Convention and Exhibition Trust

Report of operations

History and background

The Trust was established in August 1994, under the *Melbourne Exhibition Centre Trust Act 1994*, to oversee the development and management of the Melbourne Exhibition Centre. The Act was amended in 1995 to include the management, promotion and use of the Royal Exhibition Building as part of the Trust's responsibilities.

The *Melbourne Convention and Exhibition Trust Act 1996* was enacted on 5 February 1997, repealing the former Act and establishing the Trust. The new Act permitted increased responsibilities for the Trust including the ownership and management of both the Melbourne Exhibition Centre and the Melbourne Convention Centre. The Melbourne Convention Centre, formerly the World Congress Centre Melbourne, was vested in the Trust in February 1997.

On 14 February 1997, the Trust entered into a management agreement with World Congress Centre Melbourne Pty Ltd to provide venue operator services for the Melbourne Convention Centre. This management agreement ended in August 1997 when the Trust became both owner and venue manager of the Melbourne Convention Centre and the Melbourne Exhibition Centre.

On 28 August 2002, the Trust was appointed the Committee of Management of the Yarra River Maritime Reserve. The Reserve is inclusive of the land and historic sheds located on the south bank of the Yarra River between Grimes Bridge and the Melbourne Maritime Museum. This appointment was revoked in June 2006 as part of the land consolidation process necessary for the development of the Melbourne Convention Centre and associated works referred to below.

On 20 April 2004, the Victorian Government announced the development of a new Convention Centre as part of a major precinct development. This project incorporated a commitment of $370 million from the Victorian Government and $43 million from the City of Melbourne. The project was delivered as a Partnership Victoria project and includes a significant private sector investment in complementary facilities in the precinct adjacent to the existing Melbourne Exhibition Centre and the new Melbourne Convention Centre. The Melbourne Convention Centre officially opened in June 2009.

On 5 May 2015, the Victorian Government announced $205 million for the expansion of Melbourne Convention and Exhibition Centre in the 2015/16 State Budget. This project commenced in May 2016 and opened on 1 July 2018. The expansion ensures MCEC can continue to accommodate the growing global demand for meeting and event spaces, and cements Melbourne as Australia's business events capital.

In May 2022, the Victorian Government announced that the Melbourne Convention and Exhibition Trust, the operator of the Melbourne Convention and Exhibition Centre, would also operate the future Geelong Convention and Exhibition Centre. Planned to open in 2026, this $294 million project is being delivered as part of the Geelong City Deal - a partnership between the Australian and Victorian Governments, together with the City of Greater Geelong.

The Trust reports to the Minister for Tourism, Sport and Major Events, The Hon. Steve Dimopoulos.

Year in review

Our purpose

We create memorable events (big and small, in-person, online and hybrid) that drive thinking, activity and economic growth. And we do it at a personal level, to build real and lasting relationships.

Our vision

We connect people locally and globally to share, collaborate, learn and inspire.

Strategic pillars

Our people

We invest in our people, so they feel empowered to be bold and proud to excel.

Our business

We use data, insights, and rigour to enable us to make better decisions and collaborate efficiently.

Our customers

We deliver unconventional yet relevant solutions to elevate the delegate experience and delight the customer.

Our impact

We work with Victoria and our community to leave a legacy of which we can be proud.

To continue to operate as a competitive business, we're responding to the challenges presented by the pandemic through focusing on building a business that's emerging stronger, with new products, services, and partners, revitalised and ready for the future.

In 2021 and 2022, we looked at our business differently and learned more about who we are and what we bring to our customers and community.

Our strategy considers a staged approach to how we will meet our objectives. It is a rolling strategy that will constantly be reviewed and refined at key milestones and annually evaluated.

The 90-day cycle

To continue to operate as a competitive business, within an increasingly competitive market and escalating expectations of our customers, MCEC must constantly evolve, and remain relevant and contemporary.

MCEC has established a 90-day approach to business planning, with strategic outcomes and activities that align to the four strategic priorities within our Business Strategy 2021-24, being identified by the business on a quarterly basis.

Purpose and functions

The *Melbourne Convention and Exhibition Trust Act 1996* specifies the functions of the Trust as being to provide for:

a. the development, promotion, management, operation and use of convention and exhibition facilities and services in the State of Victoria, including the use of those facilities and services for entertainment purposes.

b. with the approval of the Minister, the development, promotion, management, operation and use of tourism or hospitality facilities and services in the State of Victoria, including the use of those facilities and services for entertainment purposes.

c. the development, promotion, management, operation and use of facilities and services for the parking of vehicles to be used in conjunction with any of the Trust's facilities.

d. with the approval of the Minister, and for such a period as is approved by the Minister, the promotion, management, operation and use of:

   i) the Royal Exhibition Building

   ii) any part of the exhibition land that the Trust reasonably requires in conjunction with the use of the Royal Exhibition Building subject to any agreement or arrangement between the Trust and the Museums Board of Victoria.

e. any other matter authorised by the Act.

Objectives, indicators and outputs

Four strategic priorities have been established to ensure that MCEC meets its vision for the future; to remain an industry leader for the next 25 years.

These objectives were identified to ensure the business better serves its customers, stakeholders, and the local community.

Strategic priority one

Our people

In line with our 2021-24 business strategy to invest in and empower our people we now have a new Agile model in place that makes us more competitive moving forward.

While some support functions in the business may continue to be structured traditionally, business units are supported in adopting Agile methodology, and apply it in their day-to-day work. All teams are supported by our Lean Agile Centre of Excellence, a dedicated Agile team that drives organisational change and continuous improvement across MCEC.

Work on our operating model transformation has also changed the way that we strive to better serve our customers. We've moved from a static, inward-facing business model that aligns our team with the different stages of event delivery, to an Agile outward-facing business model that aligns our teams with customers and their organisations.

By reorganising the business to focus on agility and customer experience, we're building a more responsive, future-ready business and more productive commercial and community partnerships.

We have fully implemented our outcome-focused 90-day cycles of planning and review, to make sure we can be able to be nimble and adjust as needed.

As one of Australia's major venues, MCEC also played a key role in ensuring the safe return of events of scale under its industry leading VenueSafe Plan, in turn helping to drive recovery for a sector that has been heavily impacted by the pandemic.

Our industry leading COVID response was highlighted when MCEC employee, Maxine McIntyre, was named Venue Professional of the Year at the Venue Management Association's Venue Industry Awards for her pivotal role in delivering COVIDSafe events throughout the pandemic.

Other work in this area included our people and culture team engaging a consultant to work with them to develop our new Inclusion and Diversity strategy that will include actioning our Gender Equality Action Plan (GEAP) 2022-2025, and developing and delivering our Reconciliation Action Plan (RAP) and our Accessibility Action Plan.

The strong recovery of our business in 2022 was fantastic news, but it still presented us with some challenges we didn't face pre-pandemic. We faced unprecedented workforce challenges in the last financial year, and this impacted our planned events and new business.

The main challenge is that although demand is high, we must ensure that we have the people available to maintain the safe execution and excellent standards of event delivery we're known for. We took multiple actions to address these challenges including setting up an Event Continuity Planning Group (ECPG). This group has been working hard to find solutions to the challenges we face.

To respond to these issues, we also had to be creative and flexible with our recruitment. We were working in a very challenging recruitment environment, so we had to ensure we were not putting our operational teams at risk.

We also made changes to allow full-time non-EBA staff to pick up casual shifts to support our operations team. We moved more team members from the kitchen, food and beverage, and retail to full-time positions.

In March, employees also voted on our proposed EBA (The Melbourne Convention and Exhibition Centre Agreement 2022). The vote was a resounding success with 94.6% of eligible employees voting yes.

This new Agreement covers our hospitality (e.g., kitchen, retail and catering) and non-hospitality (e.g., technology services and logistics) employees, many of whom are casual. This is a positive outcome that benefits our people and ensures the continued success of MCEC including a pay and allowance increase of 2% backdated to January 2022. Further pay increases have been committed for 2023 and 2025.

Strategic priority two

Our customers

Throughout the year, MCEC has continued to be the home of the unconventional, delivering events and experiences that delighted customers and attendees. We also continued to explore the best avenues to maximise our business

Report of operations

opportunities as we continue our strong recovery post-pandemic.

More than 387,586 delegates attended conferences and exhibitions held at the venue during the year, with many staying at local hotels and eating in local restaurants.

After the challenges of further lockdowns in late 2021, we had a strong event pipeline from November to July 2022, and May 2022 was one of our busiest months on record.

In March we welcomed back our first international exhibition in three years with Asia Pacific (APAC)'s largest business events gathering, the Asia Pacific Incentive and Meetings Event (AIME). AIME was the first tradeshow to welcome international delegates since the pandemic hit. MCEC welcomed international visitors from our key trading partners across APAC including New Zealand, Japan, the Philippines, Qatar, Singapore, Hong Kong, and South Africa.

This flagship event showcased MCEC's unique ability to host international events of this scale as we hosted 225 exhibitors as well as 342 hosted buyers. MCEC was proud to facilitate the key stakeholders in the industry to network, transfer knowledge, foster learning and realise the power of connection and community.

As part of our new operating model we've introduced two new cross-functional groups. These groups are focused on customer experience work directly with our customers and event producers every step of the way, to make their interaction with MCEC more streamlined. What this means for customers is that instead of working with multiple departments across our business based on internal structures – such as Sales, Planning or Food and Beverage - they'll now work with a single team. This team brings together the knowledge needed at different stages of the customer journey, from building an event, to planning and delivering it.

Our cross-functional teams focus on different customer groups, meaning customers with multiple types of events will build relationships with the same customer experience team to deliver their events, regardless of whether it's a conference, an end-of-year cocktail party, or a monthly board meeting.

We also launched our new industry-leading, high-performance digital events platform for our customers, that allows them to deliver truly connected virtual and hybrid events live, online and on demand.

Another part of our business transformation that focused on streamlining our customer experience was an upgrade of our Event Management Business Software (EBMS). This project will provide MCEC with industry-leading event planning, delivery and financial systems that provide a seamless experience for our employees and customers.

Our ICT team also completed a core system uplift in our kitchens that has provided improvements that will improve efficiency and empower our employees. Work has also started on marketing automation, a significant piece of work to allow us to automate marketing tasks and workflow - this will improve our customer journey and elevate our customer experience.

Strategic priority three

Our impact

In 2021/22, MCEC contributed $383 million in economic impact to the Victorian economy. MCEC's kitchens continue to support the local economy, with the venue remaining committed to sourcing local produce from local suppliers wherever possible.

As part of the stakeholder engagement framework, MCEC's Executive Team continues to play an active leading role in several industry committees and organisations including:

- International Congress and Convention Association (ICCA)
- Business Events Council of Australia (BECA)
- Exhibition and Event Association of Australia (EEAA)
- Venue Management Association (VMA)
- Meetings and Events Australia (MEA)
- Melbourne Convention Bureau (MCB)
- Victoria Tourism Industry Council (VTIC)
- Victorian Chamber of Commerce and Industry (VCCI)
- International Association of Convention Centres (AIPC)
- South Wharf Precinct operations, development and marketing committees

To enhance our engagement work we have appointed an industry engagement specialist to develop and deepen our relationships with industry partners.

Over the past year, we've also grown our community partnerships and continued our successful relationships with existing partners.

We established a new partnership with the Banksia Foundation in March 2022, through this we provided $40,000 of in-kind support for the Banksia Foundation National Awards. We also agreed to become the venue partner for the Victorian Premier's Sustainability Awards 2022 in September and sponsor their Sustainable Places and Destinations Award.

Report of operations

Victoria's 91st Good Friday Appeal had a hugely successful return to MCEC welcoming almost 80,000 visitors for Kids Day Out. The Appeal raised a record-breaking $22 million to support Melbourne's Royal Children's Hospital. This year, MCEC donated more than $1.4 million, including waived venue hire, technology, resources, catering, and event support.

As part of MCEC's commitment to minimising food waste and creating positive community impact, we committed to an official partnership agreement with Australia's leading food rescue organisation, OzHarvest. This new partnership agreement will see MCEC donate more than $100k in kind through resource and service provision.

Our OzHarvest partnership delivered 26,873 meals to those in need, 10,165 kgs of food were saved from landfill, 67,089 kgs of CO2 emissions stopped, and 3,506,925 litres of water saved. The MCEC team cooked more than 5,500 meals and 1,400 Christmas cookies, which were distributed by OzHarvest drivers to local charities, supporting people in need leading up to Christmas.

Another part of the working partnership, OzHarvest occupy a dedicated space in the MCEC kitchens to run its popular Cooking For A Cause program (CFAC). This delivered 4,662 meals, using 2,331kgs of rescued food, and 89,000 meals have been delivered from the revenue raised from the program.

One of the ways we continue to deliver value to the Victorian economy and the broader community is through our management of the Club Melbourne Ambassador Program. For 17 years, Club Melbourne has been primarily focused on driving international business to Melbourne, consistently securing global events for the city.

We have been working with Ambassadors to drive local and national events to MCEC as well as ensuring we have a strong pipeline of international opportunities for MCEC in the future.

During 2021/22, Club Melbourne Ambassadors were involved in 38 per cent of all future international conferences secured for Melbourne and to be held at MCEC. Additionally, there are seven active and pending business leads for which we expect final location decisions to be made in 2022/23.

In 2021 we launched our new five-year Sustainability Strategy with the aim of achieving net zero carbon emissions by 2030. MCEC key sustainability targets include eliminating single-use plastic, working to divert 90 per cent of our waste from landfill by 2025, and aiming to source 100 per cent of our power from renewable sources by 2028.

MCEC also continues to work closely with government agencies to support Victorian Government priorities. MCEC is proud to have housed one of the largest vaccination hubs in the state across the COVID-19 pandemic, contributing to high vaccination rates. MCEC administered more than 280,000 vaccine doses, helping to reach vaccination milestones and protect the community, enabling the state to reopen safely.

Strategic priority four

Our business

Through the year we continued to work on several new collaborations and events that have become very successful.

In September 2021 we partnered with Grande Experiences, to become the permanent home of THE LUME Melbourne. With more than 3,000 square metres of gallery space, four storeys tall, MCEC is proud to house this state-of-the-art attraction under our roof. This has created new opportunities for our customers by providing a striking venue experience like no other.

THE LUME – *The Van Gogh Experience* proved to be an incredibly successful installation and had welcomed 520,000 visitors by June 30, 2022.

In May the Victorian Government announced that we will be the operator for the new Geelong Convention and Exhibition Centre on Geelong Waterfront when it opens in 2026.

Work has also continued on Melbourne Skyfarm. In a Victorian first, a large section of a rooftop car park in the heart of the Melbourne CBD has been transformed into a thriving urban farm, with works continuing over the next six months on this new rooftop city oasis. When complete, it will feature sustainable and contemporary hospitality sites, environmental education as well as business conference facilities and event spaces.

When fully completed, Melbourne Skyfarm will be opened to the general public and will be a mecca for visitors as they tour the working farm, visit and sample from the rooftop orchard and herb gardens, dine at the sustainable cafe, enjoy a drink or coffee overlooking Melbourne's skyline and Yarra River, hire one of the three unique event spaces on offer, purchase plants from the rooftop nursery, as well as attend classes in the environmental education area.

Melbourne Skyfarm is still under construction, but the urban farming component has been

Report of operations

operational for over six months. They have harvested and donated a total of 650kgs of produce (8,840 servings of veggies) to MCEC's food charity partner OzHarvest, since the first planting at the urban farm in September 2021.

Living the ethos of the home of the unconventional, we also partnered with TEG Live and Brickman® to deliver Jurassic World by Brickman®, a ticketed exhibition which was extended due to demand and that ran until October 2021. Supported by the City of Melbourne and the Victorian Government, the exhibition featured over 50 large-scale dinosaurs, props, scenes, and activities made from over six million LEGO® bricks and has attracted thousands of visitors.

We also hosted Warner Bros. Themed Entertainment and TEG Life Like Touring for SPACE JAM: A NEW LEGACY – The Tunes vs Goons Experience, a fun and interactive basketball play, video gaming and skills testing event experience for all ages premiering at Melbourne Convention and Exhibition Centre in Melbourne in December and January for the school holidays.

Financial information summary

Five year financial summary

The following table summarises the financial result of the Trust for each year ended 30 June.

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Revenue and income from transactions	221,253*	92,980	96,463	106,848	84,893
Expenses from transactions	120,156	108,003	129,793	136,881	104,394
Net result from transactions	101,097	(15,023)	(33,330)	(30,033)	(19,501)
Net result for the period	101,276	(14,794)	(33,272)	(30,310)	(19,579)
Net cash flow from operating activities	28,734	21,035	3,929	15,924	10,728
Total assets	1,075,636	1,108,348	1,253,146	1,229,711	1,040,790
Total liabilities	189,641	323,629	322,643	327,515	319,267

*This number includes operating revenue, grant funding and forgiveness of debt. Full breakdown below and Note 2 of the financial statements.

Current year financial review

Revenue

The total revenue from sales of goods and services is $38.9 million. This compares to a revenue of $11.6 million in the previous financial year. After the challenges in previous financial year, the Centre finally opened in late 2021. This was a positive outcome off the back of difficulties associated with successive COVID-19 lockdowns.

Included in grant income is an amount of $59 million (2021: $77.3 million) relating to operating funding from the Department of Jobs, Precincts and Regions (DJPR). Also included is an amount of $1.4 million (2021: $4.1 million) which represents the grant from DJPR for the replacement of assets over the life of the Convention and Exhibition Centre. The Trust also received an amount of $0.4 million in relation to the Geelong Convention and Exhibition Centre Project.

During the year there was a forgiveness of $121.6 million which has been recognised as revenue in Other Income.

Expenses

Total expenses from transactions, as defined in the financial statements, totalled $120.2 million (2021: $108.0 million).

Purchases of supplies and services have increased by $12.2 million. This increase can be attributed to the increase in operating revenue resulting from continued operational recovery from impacts from COVID-19. Included within supplies and services are cost of goods sold totalling $4.7 million (2021: $1.2 million), a 305 per cent increase on the prior year.

Employee benefit expenses have also decreased by $2.6 million on the prior year mainly because of the vacancies throughout the year.

The interest expense of $1.8 million (2021: $11.1 million) relates to the interest charged on the loan with DJPR based on the new interest rate, which partly funded the Convention Centre asset and interest on leased equipment.

Depreciation expense of $41.5 million (2021: $30.4 million) has increased from the prior due to the remaining useful life assessed as part of the revaluation process in 2020/21. The depreciation from 1 July 2021 is calculated on a straight-line method based on the remaining useful life.

Balance sheet

The balance sheet of the Trust as at 30 June 2022 reports net assets of $886 million (2021: $784.7 million).

Assets

Cash and deposits have increased by $6.7 million which is explained by cash from operating activities and timing of funding from the Department of Jobs, Precincts and Regions (DJPR).

Property, plant and equipment has decreased by $39.8 million, being explained by depreciation expense for the financial year.

Liabilities

The interest bearing liability of $156.3 million (2021: $296.8 million) represents the value of the loan with DJPR inclusive of accrued interest and lease liabilities relating to AASB 16 Leases. During the year there was forgiveness of this loan of $121.6 million.

Other liabilities of $18.9 million (2021: $15.9 million) mainly comprises deposits held against future bookings which represents funds held on behalf of customers until the completion of an event.

Cash flow statement

The cash flow statement reports an increase of $6.7 million in cash held (2021: $6.4 million). Total cash holdings as at 30 June 2022 are $31.3 million (2021: $24.6 million).

Cash flows from operating activities were $28.7 million for the year (2021: $21.0 million). A grant of $65.0 million (2021: $85.0 million) (inclusive of GST) was received from DJPR during the year to assist with operational activities.

Cash flows used in investing activities reflect expenditure on capital improvements. Purchases of non-financial assets totalled $1.4 million (2021: $4.1 million).

Cash flows used in financing activities include the loan repayment to DJPR of $20.5 million (2021: $10.4 million).

Statement of changes in equity

The statement of changes in equity records a net increase in total equity from $784.7 million to $886 million. The movement in this statement reflects the current year's operating result.

Governance and organisational structure

Powers and duties

The *Melbourne Convention and Exhibition Trust Act 1996* is the principal statute relating to the establishment, powers and operations of the Trust. Other provisions affecting the Trust include the *Financial Management Act 1994* and related directions of the Minister for Tourism, Sport, and Major Events.

The Trust's Minister

Minister for Tourism, Sport, and Major Events.

The Hon. Steve Dimopoulos is Minister for Tourism, Sport and Major Events, a position he has held since June 2022. During the financial year of 2021/22, The Honourable Martin Pakula MP was the Minister for Sport, Tourism and Major Events until he stepped down from ministerial roles on 27 June 2022.

The Minister is responsible to parliament for the performance of MCET, including ensuring that proper accountabilities and controls are established and maintained. *The Public Administration Act 2004, Financial Management Act 1994 and the Melbourne Convention and Exhibition Trust Act 1996* outline the role of the Minister.

The Minister is supported by the Department of Jobs, Precincts and Regions (the Department) in performing these ministerial functions.

For 2021/22, the Melbourne Convention and Exhibition Trust kept the Minister and the Department appropriately informed of progress and developments in accordance with agreed communications protocols.

Trustees

At the time of this report, six Trustees are appointed to the Trust for terms of up to three years.

The Hon John Brumby AO Chairman

The Hon. John Brumby AO was appointed as Chairperson of the Trust on 11 August 2017. Mr Brumby is the Chancellor of La Trobe University and a Professor (Honorary) in the Faculty of Business and Economics at the University of Melbourne. He is well known for his roles as the former Treasurer (2000 to 2007) and then Premier of Victoria (2007 to 2010), as well as being appointed Victoria's first-ever Minister for Innovation.

Since retiring from politics in 2010, John Brumby has taken on a number of roles in the not-for-profit and business sectors, including Chair of the Melbourne Convention and Exhibition Trust, Citywide Service Solutions Pty Ltd and the In2science Advisory Board. Mr Brumby was also recently appointed Chair of the Victorian Government's new $2 billion Breakthrough Victoria Fund.

Mr Brumby was awarded an Order of Australia in 2017 for distinguished service to the Parliament of Victoria, to economic management and medical biotechnology innovation, to improved rural and regional infrastructure, and to the community.

He is a Fellow of the Australian Institute of Company Directors and is the author of a number of articles and books, including the 2015 release of 'The Long Haul – Lessons from Public Life'.

Mr Jonathan Metcalfe Trustee

Mr Metcalfe was reappointed to the Trust for a further three years commencing 1 July 2019 for a term concluding on 31 March 2023. He currently acts as a Senior Executive Advisor to Strategy & Consulting (part of the PwC network), as well as also being the Principal of JNM Advisory Services Pty Ltd. Mr Metcalfe is also an Australian British Chamber of Commerce Councillor and a former member of the Victorian Department of Transport's Audit, Risk and Integrity Committee.

Prior to this Mr Metcalfe was a Senior Strategic Advisor with LEK Consulting and was also previously the Chief Executive Officer of Transdev Australasia (formally Veolia Transport Australasia) from December 2009 to January 2015 and having

previously served as Executive Chairman of Veolia Transport's metropolitan rail business in Melbourne from January 2008.

Prior to coming to Melbourne, he was Chief Executive Officer of Great North Eastern Railway (GNER) in the United Kingdom. Mr Metcalfe has extensive experience in passenger transport and a diverse background in human resources, customer service and general management, and was named 'Safety Ambassador of the Year' by Safe Work Australia in 2013.

Ms Sandra (Sam) Andersen
Trustee

Ms Andersen was reappointed to the Trust on 1 July 2019 for a term concluding on 31 March 2023. She has resigned from her term, concluding on Thursday, 15 September 2022.

Sam is an experienced financial services Senior Executive, Non-executive Director and Audit Committee Chair. She is also the Chair of Beyond Bank Australia Limited, the Australian Packaging Covenant Limited, Agriculture Victoria Services Pty Ltd, and the Audit and Risk Committee of Victoria Police, and a Director of Breakthrough Victoria Pty Ltd and Secure Electronic Registries Victoria.

Ms Andersen has a Bachelor of Laws and is a Certified Practicing Accountant. She is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors.

Ms Diana Taylor
Trustee

Ms Taylor was appointed to the Trust commencing July 2018. Ms Taylor is Geelong based and is the Vice President of the Geelong Football Club where she has been a Club Director since 2010.

Ms Taylor is a commercial and workplace lawyer with over 20 years' experience at top-tier law firms, as senior in-house counsel and has now established her own legal and consulting firm. In 2016, Ms Taylor was awarded the Telstra Business Woman of the Year for Victoria (Corporate and Private).

Ms Taylor has been an AFL administrator for two decades and was the first woman to chair a Metropolitan Men's Football League as President. She was the first woman appointed to the VFL Tribunal and chaired the ground-breaking VicHealth/AFL Victoria Fair Game Respect Matters Program to develop football clubs as inclusive environments for women and girls.

Ms Taylor is also the Chair of the Geelong Authority, Anam Cara House Geelong, a Deakin University Law School Advisory Board member, a member of the AFLW Competition Committee and a Doutta Galla Aged Services trustee.

Mr Michael Burn
Trustee

Mr Burn was reappointed to the Trust on 3 July 2022 for a further three years. He has a strong background in finance having spent over thirty years in investment banking and is Deputy Chairman at Flagstaff Partners and was previously Executive Director with the Macquarie Group.

Mr Burn is a Director of PFD Food Services, a leading national food wholesale and distribution company. He is also a Director of the St. Vincent's Institute of Medical Research.

From 2011 to 2016 Mr Burn was Chairman of the Victoria Racing Club, having served as Director for seven years prior to his appointment as Chairman.

Mr Charles Donnelly
Trustee

Mr Donnelly was appointed to the Trust on 10 June 2020 for a term concluding 1 June 2023. Mr Donnelly is now the AustralianSuper Executive for LUCRF Super Transition following the recent merger of LUCRF Super and AustralianSuper.

Prior to this appointment as CEO at LUCRF Super in 2014, Mr Donnelly served as General Secretary of the National Union of Workers (NUW) for 10 years and as a director of LUCRF Super.

Mr Donnelly began his career with the NUW in 1987 and progressed to leadership roles at state, national and international levels. He has board-level experience across superannuation, insurance, marketing, and skills training organisations.

He holds a Bachelor of Commerce from the University of Melbourne, a Diploma of Financial Services and is a graduate of the Australian Institute of Company Directors.

Trust information

Completion of term

Ms Marie Jackson completed her term from the Trust effective 21 June 2022.

Trust meetings

A total of 10 Trust meetings were conducted during the year ended 30 June 2022.

	Eligible to attend	**Attended**
The Hon John Brumby AO	10	10
Ms Marie Jackson	10	10
Mr Jonathan Metcalfe	10	9
Ms Sandra (Sam) Andersen	10	10
Ms Diana Taylor	10	9
Mr Michael Burn	10	10
Mr Charles Donnelly	10	8

Sub-Committees

To assist in fulfilling its responsibilities, the Trust has established three sub-committees (all Trustees are independent of management).

One extraordinary Finance Committee meeting was held during the year in addition to the scheduled Finance Committee meetings.

People and Culture Sub-Committee
Mr Charles Donnelly (Chair)
Mr Jonathan Metcalfe
Ms Diana Taylor
Ms Marie Jackson (Chair from July - October 2021)

The main responsibilities of the People and Culture Sub-Committee include:

- Focus on strategic people and culture matters, including the review of People and Culture frameworks, strategies, policies, and approaches.
- Advise the Trustees on MCEC's policy and practice for Executive remuneration and the individual remuneration packages for its Executives (that is, employees not covered by awards and collective agreements).

Audit and Risk Sub-Committee
Ms Diana Taylor (Chair)
Ms Sam Andersen
Ms Marie Jackson
Mr Michael Burn

The main responsibilities of the Audit and Risk Sub-Committee include:

- Assist the Trust in reviewing the effectiveness of the organisation's identification and management of all risks associated with the Trust and its operations.
- Oversee and monitor management's Risk Management Plan to ensure that risks are appropriately identified, treated, and reported.
- Determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, including coordination with the external auditors.
- Maintain effective communication with external auditors.
- Consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised.
- To make a recommendation annually to the Trust regarding the inclusion in the Annual Report of the Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes Attestation (reflecting compliance with the Victorian Government Risk Management Framework – section 3.1.1 (risk) and 3.1.2 (insurance).
- The Committee has authority, within the scope of its responsibilities, to seek such information it requires to fully perform its functions.

Finance Sub-Committee
Mr Michael Burn (Chair)
Mr Jonathan Metcalfe
Mr Charlie Donnelly
Ms Sam Andersen

The main responsibilities of the Finance Sub-Committee include:

- Recommending to the Trust a Financial Strategy supported by appropriate supporting Policies, governance and reporting frameworks.
- Overseeing the framing and development of annual financial and operational plans, budgets and forecasts whether for Trust or Government purposes, and recommending same to the Trust for adoption.
- Overseeing the development of a Capital Management Strategy supported by appropriate supporting Policies, governance and reporting frameworks, aligned with the risk appetite stance adopted by the Audit and Risk Committee.
- Recommending to the Trust pricing updates at least annually, with an understanding of the rationale for price amendments and the impact of the prices on future financial performance.
- Structuring and overseeing a program of continuous financial performance improvement.
- Review the financial delegations of authority policy as needed but at least annually.
- Review financial issues that the Trust or management requests the Committee reviews including identification and oversight of financial risks and consult with the Audit and Risk Committee as necessary.
- Roster and maintain a financial management culture within MCET that creates credibility in financial and non-financial reporting to deliver its business strategy and create longer-term financial sustainability.

Executive management

Chief Executive

Peter King
The Chief Executive is responsible for the overall management, business plan delivery and future strategic direction of MCEC. Peter also manages all key corporate relationships along with representing the organisation on several industry Boards and other Committees within the international and domestic market.

Chief Financial Officer

Stuart Davies
The Chief Financial Officer is responsible for financial management and reporting to the Trust, Finance and Audit Committee and the Victorian Government, along with Financial Governance, Financial Planning and Analytics, Risk, Legal and Compliance, Procurement, Asset Management, and ICT. Stuart provides financial leadership to ensure business decisions are grounded in sound financial analysis for positive commercial wins.

Chief Operating Officer

Helen Fairclough
The Chief Operating Officer (COO) optimises the Melbourne Convention and Exhibition Centre customer experience through the delivery of operational elements of the business. This incorporates driving productivity through quality delivery of event technology, food and beverage, safety, security, planning, event operations and Public, Private, Partnership (PPP) contractor management. This role is accountable for leading, directing, and coaching Operations leaders and supporting them with the adoption of agile methodology and ways of working.

Chief People Officer

Amanda Wilson
The Chief People Officer is responsible for cultivating and sustaining an innovative, engaged, and high-performing workforce. Amanda helps build capability through a continued focus on the development of MCEC people by embedding cultural values; championing diversity and inclusion; payroll, rostering, acquiring, developing, and supporting the business to retain talent; leading the business to better manage change; rewarding and recognising employees, and providing sound industrial and employee relations advice. Amanda also leads the execution of organisational strategies (via a 90-day plan and rhythm) in partnership with the Executive Team.

Chief Commercial Officer

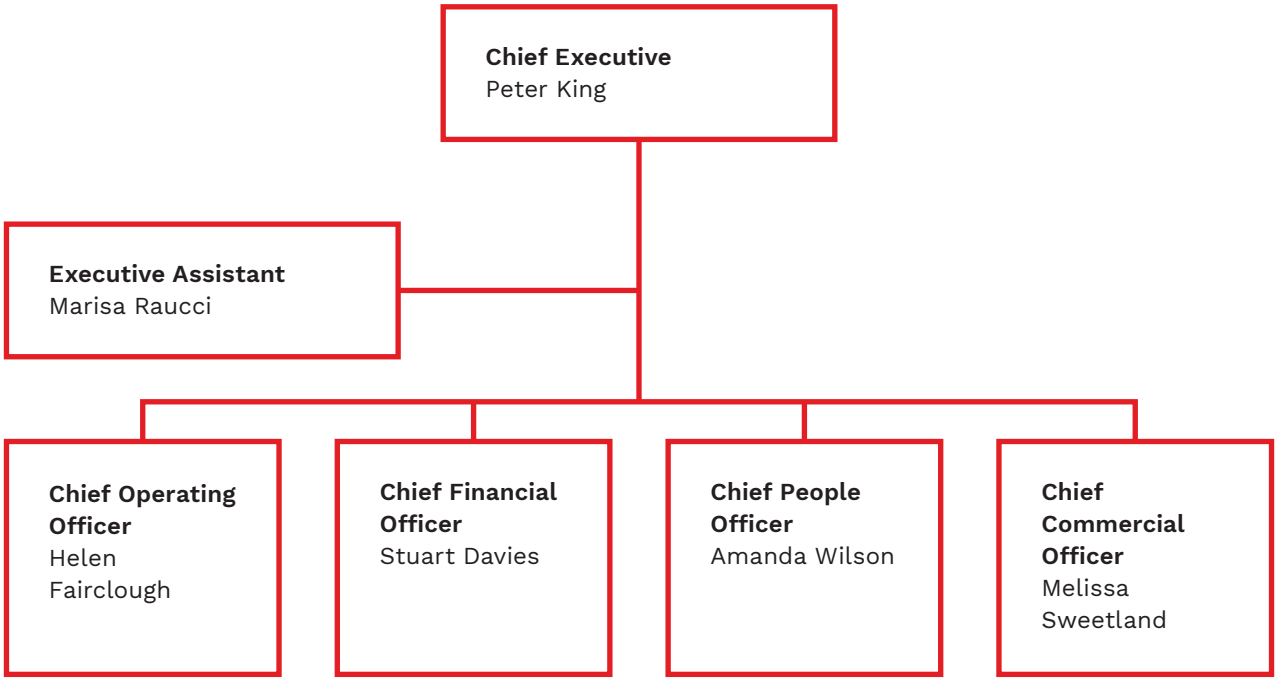
Melissa Sweetland
The Chief Commercial Officer is responsible for the commercial strategy and the future growth of MCEC. Melissa leads our sales tribes, marketing, communications and stakeholder engagement, digital strategy, new product development, research, and innovation to drive MCEC's business growth and market share. Melissa is also a critical contributor to the strategic development of the business as a member of the Executive Advisory supporting a 90-day rhythm of execution and review.

Management and employees

For the year ended 30 June 2022, the Trust employed seven Trustees, 222 full-time employees, and the full-time equivalent of 12 part-time and 517 casual employees.

This compares to seven Trustees, 240 full-time employees, and the full-time equivalent of 17 part-time and 220 casual employees for the year ended 30 June 2021.

Organisation structure



Occupational Health and Safety

Work Health and Safety Policy

The Trust is committed to maintaining a proactive, healthy, and safe working environment for all employees and external contractors, customers and the community, while ensuring due regard to the environment throughout its business practices. All visitors are required to comply with MCEC's health and safety instructions.

MCEC recognises its responsibility under Victorian Work Health and Safety legislation in conjunction with certification to AS/NZS 4801:2001 Occupational Health and Safety Management Systems, HACCP-9000 Food Safety systems and Good Manufacturing Principles requirements. The Trust aims to incorporate practicable compliance to all aspects of related business activities.

MCEC's Work Health and Safety (WH&S) Policy, objectives and procedures are reviewed on a regular basis and in response to changes to governing requirements. Copies of the policy are available on all WH&S noticeboards and MCEC's website www.mcec.com.au.

The Mental Health and Wellbeing (MHW) Charter was endorsed in Victoria in October 2016. The Charter has been developed to actively demonstrate the Victorian government's commitment to having an engaged workforce that is physically and mentally safe and healthy. MCEC is committed to delivering a wide range of activities that promote mental health and wellbeing in line with the Charter's core principles.

Work Health and Safety Performance

In the last year, there were 53 reported injuries (34 employees, 13 visitors and 6 contractors), the vast majority of which were minor. This represents an injury increase of 488 per cent across all categories, relative to WH&S performance indicators. A total of 17 staff days were lost during the year due to injuries. There are three ongoing WorkCover claims.

MCEC achieved the following results relative to WH&S performance indicators:

Target 1: Employees: 10% reduction of employee injuries relative to hours worked:
An FY22 average of 4.44 injuries per month per 100,000 hours worked versus an FY21 average of 3.87 injuries per month per 100,000 hours worked – an increase of 14.2%.

Target 2: Public: 10% reduction of public injuries relative to number of visitors:
An FY22 average of 0.720 injuries per month per 100,000 visitors versus an FY21 average of 0.350 – an increase of 105%.

Target 3: Contractors 10% reduction of contractor injuries:
The total number of injuries for contractors FY22 is 6, same period FY21 was 0.

Target 4: Lost Time Injury Frequency Rate (LTIFR) of <10
The current level of 2.9 remains well under the new performance target.

Target 5: Severity Rate of <10
The Severity Rate is 5.3.

Employment and Conduct Principles

All employee matters are governed by the principles of merit and equity. A comprehensive Enterprise Bargaining Agreement is in place.

The Trust continues its ongoing commitment to Equal Employment Opportunity principles and reporting guidelines as outlined in the *Equal Opportunity Act* (*Victoria*) *2010*.

Other disclosures

Victorian Industry Participation Policy (VIPP)

During the 2021/22 year, MCEC did not commence or complete any Local Jobs First Strategic projects.

MCEC did not commence or complete any Local Jobs First Standard projects between 1 July 2021 and 30 June 2022.

Consultancy expenditure

Details of consultancies (valued at $10,000 or greater)

In 2021/22 there were eighteen consultancies where the total fees payable to the consultants were $10,000 or more. The total expenditure incurred during 2021/22 in relation to these consultancies was $1.7 million (excluding GST).

Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Expenditure ($'000)
Battiston Consulting Pty Ltd	IT Consulting	38
BizData Pty Ltd	IT Design & Develop Analytics Roadmap	23
Brennan IT	IT infrastructure	134
Business Olympian Group Pty Ltd	Business Continuity Planning Refresh	22
Byte Technology Pty Ltd	IT	24
CharterX Pty Ltd	IT	447
Cythera Pty Ltd	IT	41
Dept Env, Land, Water & Planning	Building and Land Valuation	16
EPIC Agile	Agile Consultancy	99
EY	Financial Modelling	112
IE Media	Virtual Events Consultancy	234
Naked Ambition	Sales and Market Analysis	100
North Projects Pty Ltd	GCEC Assurance Services	133
Proximity	Procurement Transformation Support	131
Renew IT Group Pty Ltd	IT Asset Audit	15
Ungerboeck Systems International	Software Development Online Bookings	17
VCCI	Industrial Relations	35
Workplace Edit	Gender Equality & Disability Inclusion	45

Details of consultancies under $10,000

In 2021/22, there were four consultancies engaged during the year, where the total fees payable to the individual consultancies was less than $10,000. The total expenditure incurred during 2021/22 in relation to this consultancy was $21K (excluding GST).

Information and Communication Technology (ICT) expenditure

For the 2021/22 reporting period, the Trust had total ICT expenditure of $4.2 million (excluding GST) with the details shown below.

Business as Usual

	ICT expenditure $'000
	4,207

Non Business as Usual

Total ICT expenditure $'000	**Operational expenditure** $'000	**Capital expenditure** $'000
72	72	–

ICT expenditure refers to the Trust's costs in providing business enabling ICT services. It comprises Business as Usual (BAU) ICT expenditure and Non Business As Usual (Non

BAU) ICT expenditure. Non BAU ICT expenditure relates to extending or enhancing the Trust's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Freedom of Information (FOI)

The Trust is an agency for the purposes of the *Freedom of Information Act 1982* (the Act) and is therefore subject to the Act. FOI arrangements followed by the Trust are in accordance with procedures established under the Act.

For the 12 months ending 30 June 2022, the Trust received three applications (non-personal).

The Trust made three decisions during the 12 months ended 30 June 2022.

The time taken to finalise requests in 2021/22 was in accordance with the timeframes specified in the Act.

All requests for FOI access must be made in writing to the Trust's Freedom of Information Officer, GPO Box 777, Melbourne Victoria 3001. The subject and date range of the information sought should be indicated as precisely as possible, and the request should be accompanied by the application fee, which may be waived in certain circumstances. Apart from the application fee, certain other charges such as search fees and photocopying charges might apply in relation to the provision of documents as stipulated in the *Freedom of Information* (*Access Charges*) *Regulations 2014*.

Further information on the Act may be obtained from www.foicommissioner.vic.gov.au.

Freedom of Information (FOI) Part II Information Statements

Statement 1: Organisation and Function

Refer to Functions in the Melbourne Convention and Exhibition Trust Annual Report 2021/22.

Statement 2: Categories of Documents

The types of documents that the Melbourne Convention and Exhibition Trust handles include:

- Policy, procedures, and standards
- Briefings and reports
- Correspondence
- Administrative records
- Operational records
- Registers
- Meeting records
- Financial records
- Photographs, images and multimedia objects
- Maps and plans

Documents are classified under the following categories:

- Committees
- Community Relations
- Contracting
- Equipment
- Financial Management
- Fleet Management
- Industrial Relations
- Information Management
- Legal
- Occupational Health and Safety
- Personnel Management
- Policy
- Publication
- Employee Development
- Strategic Management
- Technology and Telecommunications.

Statement 3: Material Made Available to the Public

Material available for the public can be found on MCEC's website www.mcec.com.au.

Statement 4: Rules, Policies and Procedures

Refer to the Freedom of Information (FOI) in the Melbourne Convention and Exhibition Trust Annual Report 2021/22.

Statement 5: Responsibilities

Within Melbourne Convention and Exhibition Trust, the Chief Executive has the authority as Principal Officer to make decisions regarding freedom of information requests.

Disability Act 2006

The Trust recognises the number and diversity of people with disabilities in the community, and within its own workforce.

The Trust's Accessibility Action Plan addresses the four outcome areas as set out in section 38 of the *Disability Act 2006*:

a) reduce barriers to persons with a disability accessing goods, services and facilities

b) reducing barriers to persons with a disability obtaining and maintaining employment

c) promoting inclusion and participation in the community of persons with a disability

d) achieving tangible changes in attitudes and practices which discriminate against persons with a disability

The Trust's Accessibility Action Plan has already introduced many initiatives and improvements across the four outcome areas. In particular, for the year ending 30 June 2022, the Trust has implemented the following initiatives in relation to accessibility at the Centre:

1. MCEC website W3C audit completed
2. Funding allocated for an upgrade to the MCEC website which will incorporate compliance to AA and W3C guideline
3. Venue Map with power charging stations
4. Inclusion of Assistance Animals in Accessible Services
5. MCEC is listed on the Companion Card website (Annual)

Building Regulations

The Trust complies with the building and maintenance provisions of the *Building Act 1993* as is relevant to any buildings that the Trust owns or controls.

National Competition Policy

The Trust recognises the requirements of the *National Competition Policy*, including the requirements of the policy statement, *Competitive Neutrality Policy*, and any subsequent reforms.

The Trust maintains a review process of its pricing structure having regard to the obligations outlined in the *Competitive Neutrality Policy*.

Public Interest Disclosure Act 2012

The Trust is not a public body to which disclosures may be made. Disclosures of improper conduct or detrimental action relating to the Trust should generally be made to the Independent Broad-based Anti-Corruption Commission (IBAC). Further information about making disclosures to the IBAC can be found at www.ibac.vic.gov.au.

As required by s.58(5) of the *Public Interest Disclosure Act 2012*, the Trust has made available on its website www.mcec.com.au procedures for protecting people who make public interest disclosures from detrimental action by the Trust or its staff.

Environmental Impacts

In 2021, we launched our new five-year Sustainability Strategy with the aim of achieving net zero carbon emissions by 2030. We're working to eliminate unnecessary and problematic single-use plastics, divert 90 per cent of waste from landfill by 2025, and to be completely powered by renewable electricity by 2028.

Reduce Carbon Emissions

Under our new Sustainability Strategy, we are aiming for 25 per cent reduction in CO2 emissions for our buildings by 2026 (from 2019 levels: 175kg CO2-e per sqm).

Our business emitted 115kg CO2 emissions per sqm in 2021 which was well below the regional average for a similar facility. This figure factors in the Melbourne Renewable Energy Project (MREP), which allows us to purchase renewable energy certificates to offset part of our emissions. In 2021, renewable energy accounted for 20 per cent of our total electricity consumption.

Without taking MREP into account, our business emitted 138.5kg CO2 emissions per sqm in 2021, which was slightly more than in 2020. Although this level is 34 per cent below our target 2019 levels, it is not representative of venue operations at full capacity due to the impacts of the COVID-19 lockdowns.

Maximise Diversion from Landfill

Under our new Sustainability Strategy, our target for waste diversion from landfill is 90 per cent by 2025 with an interim target for 2021 of 70 per cent waste diversion.

MCEC's waste diversion rate in 2021 was 32 per cent, up from 25 per cent in 2020.

Milestone achievements have been:

- Introduction of new front-of-house recycling stations in the Expansion in early 2022. The new recycling stations now feature an organics bin (green) so that visitors can recycle food waste, and we've consolidated paper/cardboard to be placed in the recycle bin (yellow) in these areas. The bins are supplied by Method Recycling who are a certified B Corp, and the bins are made from 50 per cent recycled plastic and are fully recyclable at the end of their life.
- In 2022, we appointed IKON Services as the sole cleaning and waste management provider for Licensed Areas to control and have visibility of waste generated in bays, to allow for event waste data and reporting and consistency of bins and signage (minimum three waste streams).
- Disposable coffee cups were collected in Simply Cups recycling stations across MCEC's three cafes and were also separated from other waste streams using the back-of-house table sorter. By recycling 38,762 cups in 2021, approximately 388kg of waste was diverted from landfill.
- 10.165 tonnes of recoverable food was donated to OzHarvest in 2021. That equates to avoidance of 67,089 kg of CO2-e emissions and 3.5 million litres of water saved.

Environmental Certifications

MCEC has received EarthCheck Gold Certification for the sixth year in a row. MCEC has been EarthCheck certified since 2009 and has achieved Gold status since 2016.

Corporate Plan

As required under the *Melbourne Convention and Exhibition Trust Act 1996*, the Trust has submitted to the Minister for Tourism, Sport and Major Events a Corporate Plan that includes a Statement of Corporate Intent, a Business Plan and related financial projections.

Nature and Range of Services Provided, Including Sections of the Community Serviced

By the provision of world-class convention and exhibition facilities, the Trust will continue to develop assets of benefit to the general public and to industry and commerce with particular emphasis on the key industry sectors at the core of government policy.

Additional Information Available on Request

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

The information is available on request from:

Melbourne Convention and Exhibition Trust
Accountable Officer
03 9235 8000
enquiries@mcec.com.au

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

I the Hon. John Brumby AO, on behalf of the Trust, certify that the Melbourne Convention and Exhibition Trust has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Compliance with DataVic Access Policy

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

Financial statements

For the year ended 30 June 2022

How this report is structured

The Melbourne Convention and Exhibition Trust (the Trust) has presented its audited general-purpose financial statements for the financial year ended 30 June 2022 in the following structure to provide users with the information about the Trust's stewardship of resources entrusted to it.

Financial statements declaration	**25**
Independent auditors report	**26**
Comprehensive operating statement	**28**
Balance sheet	**29**
Cash flow statement	**30**
Statement of changes in equity	**31**
Notes to the financial statements	**32**
1. About this report	32
2. Funding delivery of our services	33
3. The cost of delivering services	34
4. Key assets available to support output delivery	37
5. Other assets and liabilities	39
6. How we financed our operations	42
7. Risks, contingencies and valuation judgements	47
8. Other disclosures	57

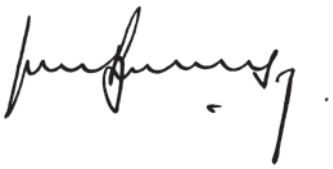
Financial statements declaration

The attached financial statements for the Melbourne Convention and Exhibition 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 2022 and financial position of the Trust at 30 June 2022.

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

We authorise the attached financial statements for issue on 27 September 2022.



The Hon. John Brumby AO
Trust Chair

Melbourne
27 September 2022

Peter King
Chief Executive

Melbourne
27 September 2022

Stuart Davies
Chief Financial Officer
Melbourne

27 September 2022

Independent auditors report

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Members of the Melbourne Convention and Exhibition Trust

Opinion	I have audited the financial report of the Melbourne Convention and Exhibition Trust (the trust) which comprises the: • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • financial statements declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the trust as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Members' responsibilities for the financial report	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 *Financial Management Act 1994*, and for such internal control as the Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. 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.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

I communicate with the 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.

MELBOURNE
30 September 2022

Simone Bohan
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Continuing operations			
Revenue and income from transactions			
Sales of goods and services	2.1.1	38,886	11,569
Interest		48	33
Grants	2.1.2	60,730	81,378
Other income	2.1.3	121,589	-
Total revenue and income from transactions		**221,253**	**92,980**
Expenses from transactions			
Supplies and services	3.1.1	38,539	25,471
Employee benefit expenses	3.1.2	37,924	40,570
Interest expense	6.1.2	1,779	11,085
Depreciation	4.1.2	41,486	30,402
Other operating expenses	3.1.5	428	475
Total expenses from transactions		**120,156**	**108,003**
Net result from transactions (net operating balance)		**101,097**	**(15,023)**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	8.2	(16)	11
Other gains/(losses) from other economic flows	8.2	195	218
Total other economic flows included in net result		**179**	**229**
Net result		**101,276**	**(14,794)**
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.3	-	(132,890)
Total other economic flows – other comprehensive income		**-**	**(132,890)**
Comprehensive result		**101,276**	**(147,684)**

The accompanying notes form part of these financial statements.

Balance sheet

As at 30 June 2022

	Notes	2022 $'000	2021 $'000
Assets			
Financial assets			
Cash and deposits	6.3	31,266	24,559
Investments and other financial assets	4.2	2,000	2,000
Receivables	5.1	7,171	7,093
Total financial assets		**40,437**	**33,652**
Non-financial assets			
Inventories		536	430
Property, plant and equipment	4.1	1,023,288	1,063,156
Other non-financial assets	5.2	11,375	11,110
Total non-financial assets		**1,035,199**	**1,074,696**
Total assets		**1,075,636**	**1,108,348**
Liabilities			
Payables	5.3	8,967	5,409
Borrowings	6.1	156,330	296,814
Employee related provisions	3.1.3	5,409	5,491
Other liabilities	5.4	18,935	15,915
Total liabilities		**189,641**	**323,629**
Net assets		**885,995**	**784,719**
Equity			
Accumulated surplus/(deficit)		(170,120)	(271,396)
Physical asset revaluation surplus	8.3	419,966	419,966
Contributed capital		636,149	636,149
Net worth		**885,995**	**784,719**

The accompanying notes form part of these financial statements.

Cash flow statement

For the financial year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts			
Receipts from customers		46,409	14,281
Receipts from government		64,900	84,981
Interest received		44	36
Total receipts		**111,353**	**99,298**
Payments			
Payments to suppliers and employees		(75,676)	(71,158)
Goods and services tax paid to the ATO[a]		(6,943)	(7,105)
Total payments		**(82,619)**	**(78,263)**
Net cash flows from/(used in) operating activities	6.3.1	**28,734**	**21,035**
Cash flow from investing activities			
Purchases of non-financial assets		(1,416)	(4,121)
Proceeds from sale of non-financial assets		1	16
Net cash flows from/(used in) investing activities		**(1,415)**	**(4,105)**
Cash flows from financing activities			
Principal portion of lease liabilities[b]		(116)	(179)
Repayment of borrowings		(20,496)	(10,358)
Net cash flows from/(used in) financing activities		**(20,612)**	**(10,537)**
Net increase/(decrease) in cash and deposits		**6,707**	**6,393**
Cash and deposits at beginning of financial year		24,559	18,166
Cash and deposits at end of financial year	6.3	**31,266**	**24,559**

The accompanying notes form part of these financial statements.

(a) GST paid to the Australian Taxation Office is presented on a net basis.

(b) The Trust has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

Statement of changes in equity

For the financial year ended 30 June 2022

	Notes	Physical asset revaluation surplus $'000	Accumulated deficit $'000	Contributions by owner $'000	Total $'000
Balance at 1 July 2020		**552,856**	**(256,602)**	**634,249**	**930,503**
Net result for the year		–	(14,794)	–	(14,794)
Other comprehensive income for the year	8.3	(132,890)	-	-	(132,890)
Assets transferred from other government agencies		-	-	1,821	1,821
Assets transferred from other agencies		–	–	79	79
Balance at 30 June 2021		**419,966**	**(271,396)**	**634,149**	**784,719**
Net result for the year		–	101,276	–	101,276
Balance at 30 June 2022		**419,966**	**(170,120)**	**636,149**	**885,995**

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. About this report

The Melbourne Convention and Exhibition Trust (the Trust) is a government agency of the State of Victoria, established pursuant to the provisions of the *Melbourne Convention and Exhibition Trust Act 1996*. Its principal address is:

Melbourne Convention and Exhibition Trust
1 Convention Centre Place
South Wharf VIC 3006

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

Basis of preparation

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

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

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

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 distribution by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions may have been 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.

The Trust measures the fair value of its property, plant and equipment in accordance with FRD 103. Consequently, the Trust conducts a formal valuation every five years, and performs managerial assessment using indices published by the Valuer-General of Victoria during the intervening period.

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.

These financial statements have been prepared on a going concern basis. The State of Victoria, through DJPR, remain supportive of the Trust's position and, through provision of a Letter of Comfort, operational funding and commitment to support current and future funding requests have mitigated the going concern risk as at 30 June 2022.

Refer to Note 8.9 for more details.

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

Compliance information

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. Funding delivery of our services

The Trust's objective is to provide incredible spaces, leading technology and award-winning food. To enable the Trust to fulfil its objectives and provide outputs, it derives income from venue hire, technology services, food and beverage and event-related services.

2.1 Revenue and income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

2.1.1 Income from sale of goods and services

	2022 $'000	2021 $'000
Rendering of services	25,964	9,645
Sales of goods	12,922	1,924
Total sales of goods and services	**38,886**	**11,569**

The sale of goods and services are classified as revenue from contracts with customers in accordance with AASB 15 *Revenue from Contracts with Customers*.

Customers are invoiced in advance of recognising the associated revenue. Revenue is recognised when the goods and services are delivered and accepted by customers.

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

2.1.2 Grants

	2022 $'000	2021 $'000
COVID-19 support funding from government	59,000	77,255
Asset lifecycle replacement	1,360	4,123
Geelong Convention and Exhibition Centre project funding	370	-
Total grants	**60,730**	**81,378**

All grant income without any specific performance obligations is recognised as income in accordance with AASB 1058 *Income of Not-for-Profit Entities*, 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.

Income from grants for asset lifecycle replacement are recognised progressively.

2.1.3 Other income

	2022 $'000	2021 $'000
Bad Debts reversal	2	-
Forgiveness of liabilities	121,587	-
Total other income	**121,589**	**-**

Bad Debts reversal recognises as income bad debt recovery of $2K.

Forgiveness of liabilities are recognised as income and recorded at the carrying amount. During the year, there was a forgiveness of loan of $121.6 million in relation to financing of the construction of the Convention Centre. Refer to Note 6.1 for further details.

3. The cost of delivering services

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

3.1 Expenses incurred in the delivery of services

3.1.1 Supplies and services

	2022 $'000	2021 $'000
Purchase of supplies and services	25,485	14,502
Cost of goods sold	4,700	1,159
Maintenance	8,354	9,810
Total supplies and services	**38,539**	**25,471**

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

3.1.2 Employee benefits in the comprehensive operating statement

	2022 $'000	2021 $'000
Defined contribution superannuation expense	3,086	3,249
Salaries and wages, annual leave and long service leave	33,674	36,998
Termination benefits	1,164	323
Total employee expenses	**37,924**	**40,570**

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

3.1.3 Employee benefits in the balance sheet

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

	2022 $'000	2021 $'000
Current provisions		
Annual leave		
Unconditional and expected to be settled within 12 months	1,936	1,668
Unconditional and expected to be settled after 12 months	42	154
Long service leave		
Unconditional and expected to be settled within 12 months	189	175
Unconditional and expected to be settled after 12 months	1,578	1,519
Provisions for on-costs		
Unconditional and expected to settle within 12 months	332	278
Unconditional and expected to settle after 12 months	252	293
Total current provisions for employee benefits	**4,329**	**4,087**
Non-current provisions:		
Long service leave		
Employee benefits	934	1,194
On-costs	146	210
Total non-current provisions for employee benefits	**1,080**	**1,404**
Total provisions for employee benefits	**5,409**	**5,491**

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

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

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

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

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

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

The components of this current LSL liability are measured at:

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

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

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

3.1.4 Superannuation contributions

Employees of the Trust are entitled to receive superannuation benefits and the Trust contributes to defined contribution plans only.

Superannuation contributions paid or payable for the reporting period are included as part of employee expenses in the comprehensive operating statement of the Trust.

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

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Host Plus Superannuation Fund	1,307	1,684	220	64
Australian Super	610	595	104	26
REST Superannuation Fund	149	161	29	6
ASGARD Corporate Superannuation Fund	13	14	1	1
Others	868	858	124	30
Total	**2,947**	**3,312**	**478**	**127**

3.1.5 Other operating expenses

	2022 $'000	**2021** $'000
Short-term and low value lease expenses	434	439
Loss allowance from transactions	(6)	36
Total other operating expenses	**428**	**475**

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes loss allowance expense from transactions which are written off when identified.

4. Key assets available to support output delivery

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

4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000	**2022** $'000	**2021** $'000
Land at fair value	441,900	441,900	–	–	441,900	441,900
Buildings at fair value	589,166	612,642	(35,431)	(24,455)	553,735	588,187
Plant and equipment at fair value	67,350	65,206	(53,361)	(48,106)	13,989	17,100
Work in progress at cost	1,638	3,530	–	–	1,638	3,530
Infrastructure at fair value	11,157	11,421	(413)	(264)	10,744	11,157
Cultural assets at fair value	1,282	1,282	–	–	1,282	1,282
Net carrying amount	**1,112,493**	**1,135,981**	**(89,205)**	**(72,825)**	**1,023,288**	**1,063,156**

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

	Land $'000	**Buildings** $'000	**Plant and equipment** $'000	**Work in progress** $'000	**Infrastructure assets** $'000	**Cultural assets** $'000	**Total** $'000
Year ended 30 June 2022							
Opening balance	**441,900**	**588,187**	**17,100**	**3,530**	**11,157**	**1,282**	**1,063,156**
Additions	–	978	2,586	1,629	–	–	**5,193**
Transfers	–	–	-	(3,521)	–	–	**(3,521)**
Disposals	–	–	(54)	–	–	–	**(54)**
Revaluations	-	-	–	–	-	–	**-**
Depreciation	–	(35,430)	(5,643)	–	(413)	–	**(41,486)**
Closing balance	**441,900**	**553,735**	**13,989**	**1,638**	**10,744**	**1,282**	**1,023,288**
Year ended 30 June 2021							
Opening balance	**339,458**	**853,448**	**21,092**	**2,818**	**2,429**	**1,282**	**1,220,527**
Additions	–	3,307	1,907	4,020	–	–	**9,234**
Transfers	–	–	–	(3,308)	–	–	**(3,308)**
Disposals	–	–	(5)	–	–	–	**(5)**
Revaluations	102,442	(244,113)	–	–	8,781	–	**(132,890)**
Depreciation	–	(24,455)	(5,894)	–	(53)	–	**(30,402)**
Closing balance	**441,900**	**588,187**	**17,100**	**3,530**	**11,157**	**1,282**	**1,063,156**

Initial recognition

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.

Subsequent measurement
Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Please refer to Note 7.3.1 for further details.

4.1.2 Depreciation

	2022 $'000	2021 $'000
Buildings	35,430	24,455
Plant and equipment	5,517	5,712
Right-of-use assets	126	182
Infrastructure	413	53
Total depreciation	**41,486**	**30,402**

All buildings, infrastructure assets, plant and equipment and other non-financial physical assets which have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

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

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

Asset	Useful life
Buildings	15 – 50 years
Plant and equipment	1 – 30 years
Right-of-use assets	1 – 5 years
Infrastructure assets	50 years

Land and cultural assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

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

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.2 Investments and other financial assets

	2022 $'000	2021 $'000
Current		
Term deposits	2,000	2,000
Total investments	**2,000**	**2,000**

Term deposits under 'investments' have a maturity date greater than 90 days.

4.2.1 Ageing analysis of investments and other financial assets

		Maturity dates			
	Carrying amount $'000	Less than 1 month $'000	1-3 months $'000	3 months – 1 year $'000	1-5 years $'000
30 June 2022					
Term deposits	2,000	–	–	2,000	–
	2,000	**–**	**–**	**2,000**	**–**
30 June 2021					
Term deposits	2,000	–	–	2,000	–
	2,000	**–**	**–**	**2,000**	**–**

5. Other assets and liabilities

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

5.1 Receivables

	Notes	2022 $'000	2021 $'000
Current			
Contractual			
Receivables		6,853	4,745
Allowance for impairment losses of contractual receivables	7.1.1	(74)	(80)
Statutory			
Amounts owing from Victorian Government relating to event activities		392	2,428
Total receivables		**7,171**	**7,093**

Receivables include debtors in relation to goods and services and accrued investment income.

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. Subsequent to initial measurement they are 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.

The amounts receivable from the Victorian Government represent money owing from events Victorian Government departments / agencies have booked at the Centre in the ordinary course of business.

The Trust applies AASB 9 for measurement of receivables. Details about the Trust's impairment policies, exposure to credit risk, and the calculation of the loss allowance are set out in Note 7.1.1.

5.2 Other non-financial assets

	2022 $'000	2021 $'000
Current		
Deposit on land – Site X	10,000	10,000
Prepayments	1,375	1,110
Total other non-financial assets	**11,375**	**11,110**

Other non-financial assets include:

- deposit paid for land at Montague Street, Southbank (Site X); and
- prepayments, which represent payments in advance of receipt of goods or services or expenditure made in one accounting period covering a term extending beyond that period.

5.3 Payables

	2022 $'000	2021 $'000
Current		
Contractual		
Supplies and services	4,031	1,925
Amounts payable to government and agencies	2,691	2,113
Other payables	1,204	531
	7,926	**4,569**
Statutory		
FBT payable	71	8
GST payable	655	665
State Revenue Office – payroll tax payable	315	167
	1,041	**840**
Total payables	**8,967**	**5,409**

Payables consist of:

- **contractual payables**, these are classified as financial instruments and measured at amortised cost. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid, and arise when the Trust becomes obliged to make future payments in respect of the purchase of those goods and services; and
- **statutory payables**, these 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. Payables are generally paid within the payment period thereby avoiding any interest charges that may be charged on late payments.

Terms and conditions of amounts payable to other Government agencies vary according to particular agreements with those agencies.

5.3.1 Maturity analysis of contractual payables

	Maturity dates				
	Carrying amount $'000	**Nominal amount** $'000	**Less than 1 month** $'000	**1-3 months** $'000	**3 months – 1 year** $'000
30 June 2022					
Supplies and services	4,031	4,031	3,632	125	274
Amounts payable to government and agencies	2,691	2,691	58	2,633	-
Other payables	1,204	1,204	1,204	-	-
	7,926	**7,926**	**4,894**	**2,758**	**274**
30 June 2021					
Supplies and services	1,925	1,925	1,526	295	104
Amounts payable to government and agencies	2,113	2,113	42	2,071	–
Other payables	531	531	531	–	–
	4,569	**4,569**	**2,099**	**2,366**	**104**

The maturity analysis is presented using the contractual undiscounted cash flows.

5.4 Other liabilities

	2022 $'000	**2021** $'000
Current		
Income received in advance	25	300
Deposits against future bookings	18,910	15,615
Total other liabilities	**18,935**	**15,915**

Other liabilities include:

- deposits against future bookings where performance obligations have not been met represent funds held and invoiced but not yet collected on behalf of customers until the completion of an event and
- income received in advance.

6. How we financed our operations

This section provides information on the sources of finance utilised by the Trust during its operations, along with interest expenses and other information related to financing activities of the Trust. This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). In the current year the Trust's operations were also partly financed by direct operating grants from the State.

6.1 Borrowings

	2022 $'000	2021 $'000
Current		
Lease liabilities	120	139
Loan from government	-	20,496
	120	**20,635**
Non-current		
Lease liabilities	133	266
Loan from government	156,077	275,913
	156,210	**276,179**
Total borrowings	**156,330**	**296,814**

Borrowings refer to interest bearing liabilities.

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Loan from government relates to the construction of the Convention Centre which was financed in the form of a loan with the Department of Jobs, Precincts and Regions (DJPR) with a value of $227.7 million. A Loan Agreement was executed between the Trust and DJPR for a 25-year term at that time, at a fixed interest rate of 6.26% per annum, with a commencement date of 1 April 2009, maturing 31 March 2034.

On 4 August 2016, a Memorandum of Understanding (MOU) was issued by DJPR to vary the interest rate.

On 19 May 2022, the Trust was notified by DJPR of the forgiveness of debt and a revision of loan schedule.

The variation to the loan agreement has been finalised in the form of a MOU with key amendments as follows:

i. the fixed interest rate of 1.13% with next review of the interest rate in June 2027 and every three years thereafter, with an intent to move to market rate subject to ability to meet repayments
ii. loan term to 30 September 2036; and
iii. next loan repayment due in September 2025 and yearly on 30 September thereafter.

During the current and prior year, there were no defaults or breaches of any of the loans.

6.1.1 Maturity analysis of borrowings

			Maturity dates				
	Carrying amount $'000	**Nominal amount** $'000	**Less than 1 month** $'000	**1–3 months** $'000	**3 months – 1 year** $'000	**1–5 years** $'000	**5+ years** $'000
30 June 2022							
Lease liabilities	253	253	-	32	88	133	-
Loan from government	156,077	173,575	-	-	-	17,836	155,739
	156,330	**173,828**	**-**	**32**	**88**	**17,969**	**155,739**
30 June 2021							
Lease liabilities	405	405	–	34	104	267	–
Loan from government	296,409	397,030	–	20,496	–	89,629	286,905
	296,814	**397,435**	**–**	**20,530**	**104**	**89,896**	**286,905**

The nominal amount represents the principal and interest payable over the future life of the loan in accordance with the current loan schedule.

6.1.2 Interest expense

	2022 $'000	**2021** $'000
Interest on lease liabilities	28	44
Interest on government loan	1,751	11,041
Total interest expense	**1,779**	**11,085**

Interest expense represents costs incurred in connection with borrowings and includes interest on loan and interest component of lease repayments. Interest expense is recognised in the period in which it is incurred.

6.2 Leases

The Trust leases various plant and office equipment. The lease contracts are typically made for fixed periods of 1-5 years with an option to renew the lease after that date. Lease payments for properties are renegotiated every five years to reflect the market rentals.

6.2.1 Right-of-use Assets

Right-of-use assets are presented in Note 4.1.

6.2.2 Amounts recognised in the comprehensive operating statement

The following amounts are recognised in relation to leases:

	2022 $'000	2021 $'000
Interest expense on lease liabilities	28	44
Expense relating to short term leases	35	44
Expense relating to leases of low-value assets	398	396
Variable lease payments, not included in the measurement of lease liabilities	-	2
Total amount recognised in the comprehensive operating statement	**461**	**486**

Amounts recognised in the cash flow statement:

	2022 $'000	2021 $'000
Total cash outflow for leases	**154**	**217**

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

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

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 Trust'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 to 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 nil.

6.2.3 Maturity Analysis – contractual undiscounted cash flows

	2022 $'000	2021 $'000
Not longer than 1 year	139	170
Longer than 1 year but not longer than 5 years	145	480
Longer than 5 years	–	–
Total contractual undiscounted cash flows	**284**	**650**

6.3 Cash flow information and balances

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.

	2022 $'000	2021 $'000
Cash on hand	17	17
Cash at bank	31,249	24,542
Balance as per cash flow statement	**31,266**	**24,559**

6.3.1 Reconciliation of cash and cash equivalents

	2022 $'000	2021 $'000
Net result for the period	**101,276**	**(14,794)**
Non-cash movements		
Depreciation of non-current assets	41,486	30,402
(Gain)/loss on sale or disposal of non-financial assets	16	(11)
Lifecycle expenses	(252)	(1,002)
Forgiveness of liabilities	(121,587)	-
Other non-cash movements	-	338
Movements included in investing and financing activities		
Interest on government loan	1,751	11,041
Net change in assets and liabilities		
(Increase)/decrease in current receivables	(78)	(6,188)
(Increase)/decrease in current inventories	(106)	202
(Increase)/decrease in other current assets	(266)	(194)
(Decrease)/increase in current payables	3,554	(6,644)
(Decrease)/increase in current provisions	244	195
(Decrease)/increase in other current liabilities	3,020	7,601
(Decrease)/increase in non-current provisions	(324)	89
Net cash flows from/(used in) operating activities	**28,734**	**21,035**

6.4 Commitments for expenditure

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

6.4.1 Total commitments payable

	Less than 1 year $'000	1-5 years $'000	5+ years $'000	Total $'000
2022				
Short-term and low value lease commitments payable	277	208	-	485
Other commitments payable	4,190	18,073	35,871	58,134
Total commitments (inclusive of GST)	**4,467**	**18,281**	**35,871**	**58,619**
Less GST recoverable from Australian Tax Office				(5,329)
Total commitments (exclusive of GST)				**53,290**

2021				
Short-term and low value lease commitments payable	312	566	–	878
Other commitments payable	4,284	17,502	40,520	62,306
Total commitments (inclusive of GST)	**4,596**	**18,068**	**40,520**	**63,184**
Less GST recoverable from Australian Tax Office				(5,744)
Total commitments (exclusive of GST)				**57,440**

7. Risks, contingencies and valuation judgements

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

7.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset or a financial liability.

Categories of financial assets

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

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

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

The Trust recognises the following assets in this category:

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

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

The Trust recognises the following liabilities in this category:

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

Derecognition of financial assets
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
Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Trust's business model for managing its financial assets has changed such that its previous model would no longer apply.

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

Subsequent to initial recognition, reclassification of financial liabilities is not permitted.

7.1.1 Categorisation of financial instruments

	Financial assets at amortised cost $'000	Contractual financial liabilities – at amortised cost $'000
2022		
Financial assets		
Cash and deposits	31,266	–
Investments and other financial assets	2,000	–
Receivables	7,171	
	40,437	**–**
Financial liabilities		
Payables	–	7,926
Borrowings	–	156,330
	–	**164,256**

2021		
Financial assets		
Cash and deposits	24,559	–
Investments and other financial assets	2,000	–
Receivables	7,093	–
	33,652	**–**
Financial liabilities		
Payables	–	4,569
Borrowings	–	296,814
	–	**301,383**

Amounts disclosed in this table exclude statutory amounts (i.e. GST, FBT, payroll tax and congestion levy payable).

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

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

The Trust's main financial risks include credit risk, liquidity risk and market risk.

(a) Credit risk
Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations resulting in financial loss to the Trust. The Trust measures credit risk on a fair value basis and monitors risk on a regular basis.

The Trust does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Trust has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or credit enhancements where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risk in trade receivables is managed by sound debt collection procedures and deposits collected in advance of an event.

Provision for impairment of contractual financial assets is recognised when there is objective evidence that the Trust will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor and default payments.

Impairment of financial assets
The Trust records the allowance for expected credit loss for the relevant financial instruments in accordance with AASB 9 Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Trust's contractual receivables, statutory receivables and its investment in debt instruments.

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

The Trust's exposure to credit risk is limited due to the revenue model of advanced income whereby up to 90% of estimated event charges are invoiced in advance. The Trust's exposure and management of liquidity risk is further set out in the next section.

On this basis, the Trust has determined the opening and the closing loss allowance on application of AASB 9 at end of the financial year as follows:

	Current	31-60 days	31-60 days	61-90 days	90-120 days	120-180 days	180+ days	Total
30 June 2022								
Expected loss rate	0.64%	0.99%	3.21%	9.75%	16.08%	8.06%	100.00%	
Gross carrying amount of contractual receivables ($'000)	2,489	1,509	486	227	21	19		**4,751**
Loss allowance ($'000)	**(16)**	**(15)**	**(16)**	**(22)**	**(3)**	**(2)**		**(74)**
30 June 2021								
Expected loss rate	0.77%	1.49%	4.70%	18.10%	28.15%	10.75%	100.00%	
Gross carrying amount of contractual receivables ($'000)	3,632	1,484	248	87	–	21		**5,472**
Loss allowance ($'000)	**(28)**	**(22)**	**(12)**	**(16)**	**–**	**(2)**	**–**	**(80)**

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

	2022 $'000	2021 $'000
Balance at beginning of the year	(80)	(147)
Adjustment of accumulated surplus/(loss) on adoption of AASB 9	-	–
Decrease in provision due to transfers out	82	44
Amounts written off during the year as uncollectable	(2)	103
Increase in provision recognised in the net result	(74)	(80)
Balance at end of the year	**(74)**	**(80)**

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

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

(b) Liquidity risk

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

The Trust manages its liquidity risk by closely monitoring future cash flows to ensure adequate holding of high quality liquid assets. The Trust continues to be supported by the State to enable it to meet its obligations as and when they fall due.

See subsequent events in Note 8.9.

(c) Market risk
The Trust's exposure to market risk is primarily through interest rate risk.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Trust is not exposed to interest rate risk in relation to the loan with DJPR as there is a fixed interest rate for the term of the loan.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits.

Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount $'000	Fixed interest rate $'000	Variable interest rate $'000	Non-interest bearing $'000
2022					
Financial assets					
Cash and deposits	0.85	31,266	-	31,249	17
Investments	0.73	2,000	-	2,000	-
Receivables[(a)]		7,171	-	-	7,171
		40,437	**-**	**33,249**	**7,188**
Financial liabilities					
Payables[(a)]		7,926	-	-	7,926
Borrowings	1.13	156,077	156,077	-	-
		164,003	**156,077**	**-**	**7,926**
2021					
Financial assets					
Cash and deposits	0.10	24,559	–	24,542	17
Investments	0.27	2,000	–	2,000	–
Receivables[(a)]		7,093	–	–	7,093
		33,652	**–**	**26,542**	**7,110**
Financial liabilities					
Payables[(a)]		4,569	–	–	4,569
Borrowings	3.78	296,409	296,409	–	–
		300,978	**296,409**	**–**	**4,569**

(a) The carrying amounts disclosed here exclude statutory amounts (i.e. GST, FBT, payroll tax and congestion levy payable).

7.2 Contingent assets and contingent liabilities

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

The Trust has no contingent assets or contingent liabilities to disclose at the date of this report (2021: $0 million).

7.3 Fair value determination

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

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

The Trust determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

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

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

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

The Valuer-General Victoria (VGV) is the Trust's independent valuation agency. The Trust, in conjunction with VGV, monitor changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

7.3.1 Fair value measurement hierarchy for assets

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Year ended 30 June 2022				
Land at fair value				
Specialised land	425,500	-	-	425,500
Non-specialised land	16,400	-	16,400	-
Total of land at fair value	**441,900**	**-**	**16,400**	**425,500**
Buildings at fair value				
Specialised buildings	553,735	-	-	553,735
Total of buildings at fair value	**553,735**	**-**	**-**	**553,735**
Plant and equipment at fair value				
Plant and equipment	13,989	-	-	13,989
Total of plant and equipment at fair value	**13,989**	**-**	**-**	**13,989**
Cultural assets at fair value				
Artworks	1,282	-	1,282	-
Total of cultural assets at fair value	**1,282**	**-**	**1,282**	**-**
Infrastructure at fair value				
Bridge	10,744	-	-	10,744
Total of infrastructure assets at fair value	**10,744**	**-**	**-**	**10,744**

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Year ended 30 June 2021				
Land at fair value				
Specialised land	425,500	-	-	425,500
Non-specialised land	16,400	-	16,400	-
Total of land at fair value	**441,900**	**-**	**16,400**	**425,500**
Buildings at fair value				
Specialised buildings	588,187	-	-	588,187
Total of buildings at fair value	**588,187**	**-**	**-**	**588,187**
Plant and equipment at fair value				
Plant and equipment	17,100	-	-	17,100
Total of plant and equipment at fair value	**17,100**	**-**	**-**	**17,100**
Cultural assets at fair value				
Artworks	1,282	-	1,282	-
Total of cultural assets at fair value	**1,282**	**-**	**1,282**	**-**
Infrastructure at fair value				
Bridge	11,157	-	-	11,157
Total of infrastructure assets at fair value	**11,157**	**-**	**-**	**11,157**

There were no changes in valuation techniques throughout the period to 30 June 2022. For all assets measured at fair value, the current use is considered the highest and best use.

Land, buildings and infrastructure
Non-specialised land is valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land is valued using the market approach, and 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.

Independent valuations of the Trust's land, buildings and infrastructure assets were performed by independent valuers for the 2021 financial year and conform to Australian Valuation Standards. The land valuation was performed by the Department of Environment, Land, Water and Planning was calculated based on the fair value using the market approach. A community service obligation (CSO) adjustment of 20% was been applied. The buildings and infrastructure assets were valued by Napier & Blakeley and were assessed using a cost approach and reported based on the current replacement cost.

The market uncertainty caused by the COVID-19 pandemic continues. As at the date of valuation and a year on, the valuer considers that significant valuation uncertainty remains. The value assessed may therefore change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation).

Cultural assets

Cultural assets valuation is determined by a comparison to similar examples of the artist's work in existence throughout Australia and research on recent prices paid for similar examples offered at auction or through art galleries. The last revaluation performed for artwork was for the financial period ending at 30 June 2020.

The fair value of cultural assets was determined with reference to an independent valuation performed in December 2019 by Sophie Ullin Art Advisory (approved Valuer for the Australian Government's Cultural Gifts Program) based on resale value of the works.

Plant and equipment

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.

They 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.

When plant and equipment is specialised in use, such that is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

7.3.2 Reconciliation of Level 3 fair value

	Plant and equipment $'000	Buildings $'000	Land $'000	Infrastructure Assets $'000
Year ended 30 June 2022				
Opening balance	**17,100**	**588,187**	**425,500**	**11,157**
Purchases (sales)	2,144	978	-	-
Transfers in/(out) of level 3	-	-	-	-
Depreciation	(5,255)	(35,430)	-	(413)
Subtotal				
Revaluation	-	-	-	-
Closing balance	**13,989**	**553,735**	**425,500**	**10,744**
Year ended 30 June 2021				
Opening balance	**21,092**	**853,448**	**323,395**	**2,429**
Purchases (sales)	823	3,307	-	-
Transfers in/(out) of level 3	-	-	-	-
Depreciation	(4,815)	(24,455)	-	(53)
Subtotal	**17,100**	**832,300**	**323,395**	**2,376**
Revaluation	-	(244,113)	102,105	8,781
Closing balance	**17,100**	**588,187**	**425,500**	**11,157**

7.3.3 Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Plant and equipment	Current replacement cost	Useful life of plant and equipment Cost per unit
Specialised buildings	Current replacement cost	Useful life of buildings Direct cost per square metre
Specialised land	Market approach	Community service obligation (CSO) adjustment
Infrastructure assets	Current replacement cost	Useful life of the infrastructure Cost per square metre

8. Other disclosures

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

8.1 Ex gratia expenses

	2022 $'000	2021 $'000
Forgiveness or waiver of debt	-	11
Total ex gratia expenses	**-**	**11**

Ex gratia expenses include loss allowance greater than or equal to $5,000 that have been written off.

8.2 Other economic flows included in net result

	2022 $'000	2021 $'000
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property plant and equipment	(16)	11
Total net gain/(loss) on non-financial assets	**(16)**	**11**
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from movement in long service leave liability	195	218
Total other gains/(losses) from other economic flows	195	218

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions including:

- Net gain/(loss) on non-financial assets:
  Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from proceeds the carrying value of the asset at that time.
- Other gains/(losses) from other economic flows:
  This includes the revaluation of the present value of the long service leave liability due to changes in the bond interest rates

8.3 Asset revaluation reserve

	2022 $'000	2021 $'000
Balance at beginning of the year	419,966	552,856
Revaluation increments/(reduction)	-	(132,890)
Balance at end of the year	**419,966**	**419,966**

8.4 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.

The persons who held the positions of responsible persons for the Trust are as follows:

Minister for Tourism, Sport and Major Events	The Hon. Steve Dimopoulos	27 June to 30 June 2022
Minister for Tourism, Sport and Major Events	The Hon. Martin Pakula MP	1 July 2021 to 26 June 2022
Chairperson – Governing Board	The Hon. John Brumby AO	1 July 2021 to 30 June 2022
Governing Board	Ms Sandra (Sam) Andersen	1 July 2021 to 30 June 2022
Governing Board	Mr Michael Burn	1 July 2021 to 30 June 2022
Governing Board	Mr Charles Donnelly	1 July 2021 to 30 June 2022
Governing Board	Ms Marie Jackson	1 July 2021 to 21 June 2022
Governing Board	Mr Jonathan Metcalfe	1 July 2021 to 30 June 2022
Governing Board	Ms Diana Taylor	1 July 2021 to 30 June 2022
Chief Executive	Mr Peter King	1 July 2021 to 30 June 2022

Remuneration received or receivable by the Accountable Officer in connection with the management of the Trust during the reporting period was in the range: $570,000 - $579,999 (2021: $540,000 - $549,999).

The Ministers remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the States Annual Financial Report.

8.5 Remuneration of senior executives

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

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

- Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- 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.
- Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

	Total remuneration	
Remuneration of executive officers	**2022** $'000	**2021** $'000
Short-term employee benefits	1,285	2,668
Post-employment benefits	169	272
Other long-term benefits	60	67
Termination benefits	311	10
Total remuneration	**1,825**	**3,017**
Total number of executives	**6**	**12**
Total annualised employee equivalents[(a)]	**3.94**	**11.57**

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

8.6 Related parties

Related parties of the Trust include:

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

All related party transactions have been negotiated on commercial terms. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.6.1 Significant transactions and balances with government-related entities

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

Outside of normal citizen type transactions with the Trust, during the year, the Trust engaged in the following government-related entity transactions:

(a) Revenue

Victorian Government entities booked and hosted events at the Centre, the table outlines entities that generated more than $100K in revenue for the Trust:

Government Entity	2022 $'000
Department of Health Victoria	3,786
Department of Education and Training	912
Safer Care Victoria	288
Victorian Multicultural Commission	269
Victoria Police	134
Total	**5,389**

There were 15 Victorian Government entities that hosted events or used the Centre's services with revenue individually less than $100K. In aggregate, the revenue from these transactions totalled $331K.

At financial year end there was $392K owing from Victorian Government entities as reported in Note 5.1 Receivables. This balance is owed by eight different entities.

(b) Services received

The Trust has received services from the following Victorian Government entities:

DJPR

Transactions with DJPR total $9.3 million and relate to:

- Costs associated with quarterly service payments including, facility management costs ($4.0 million), insurance ($184K) and wall reconfiguration costs ($76K)
- Event cleaning ($1.9 million)
- State initiated modifications ($1.8 million) – costs associated with an increase to the quarterly service payment due to purchase and installation of infrastructure and equipment that has ongoing lifecycle and maintenance costs
- Reviewable services ($1.4 million) – quarterly service payment for cleaning and security services per the MCCD Project Agreement.

Total amount payable to DJPR at financial year-end was nil.

State Revenue Office (SRO)
Transactions with SRO total $710K. These relate to congestion levy for the Siddeley Street and Montague Street car parks.

Total amount payable to SRO at financial year end was nil.

South East Water Ltd
Transactions with South East Water Ltd total $294K and relate to utilities.

Total amount payable to South East Water Ltd at financial year-end was nil.

Victorian Managed Insurance Authority (VMIA)
Transactions with VMIA total $208K and relate to the Trust's insurance policies.

Total amount payable to VMIA at financial year-end was nil.

8.6.2 Key management personnel

Key management personnel of the Trust includes all responsible persons as outlined in Note 8.4 and members of the Executive Team.

Compensation of KMP's	**2022** $'000	**2021** $'000
Short-term employee benefits	2,102	2,581
Post-employment benefits	169	190
Other long-term benefits	60	55
Termination benefits	311	10
Total[(a)]	**2,642**	**2,836**

(a) The KMP's are also reported in the disclosure of remuneration of executive officers (Note 8.5).

8.6.3 Transactions and balances with key management personnel

The following related party transactions involved key management personnel, their close family members and their personal business interests.

Chief Executive – Peter King
Peter King is a Board Member of the Melbourne Convention Bureau (MCB). MCB plays a key role in securing international conventions for Melbourne. The Trust contributed $2.0 million to MCB (2021: $2.0 million).

8.7 Remuneration of auditors

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

	2022 $'000	**2021** $'000
Payable as at 30 June	42	51
Total	**42**	**51**

8.8 Other accounting policies

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

Additions to net assets 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.

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

8.9 Subsequent events

At the time of this report, a Fourth Variation to the Grant agreement executed on 23 June 2020 is being finalised. The funding provides support for the Trust's operations for the period of 1 July 2021 to 30 June 2022 for an amount up to $32.6 million excluding GST.

DJPR has also issued a Letter of Comfort dated 23 August 2022 which has been provided to the Trust to give it confidence it can prepare its 2021-22 Annual Financial Report on a going concern basis to meet the requirements of Australian accounting standard AASB 101 Presentation of Financial Statements. The Letter of Comfort recognises that the impact of the pandemic on the Trust operations remain uncertain, and that DJPR will continue to work with the Trust and Department of Treasury and Finance (DTF) to consider and assess funding requirements.

Other than as stated above there have been no significant events occurring after balance date, which may affect either the Trust's operations or results of those operations or the Trust's state of affairs.

8.10 Australian Accounting Standards that are not yet effective

As at 30 June 2021, the following AASs have been issued by the AASB but are not yet effective and may have an impact on the Trust. They become effective for reporting periods commencing after the stated operative dates as follows:

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2020-1 *Amendments to Australian Accounting Standards* – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the balance sheet as current or non-current	1 January 2023	Amendments are not anticipated to have a material impact

8.11 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Borrowings
Borrowings refer to interest bearing liabilities raised through DJPR.

Cash and deposits
Cash and deposits comprise cash on hand, cash at bank and short-term deposits with a maturity date of 90 days or less.

Comprehensive result
Total net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

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

Depreciation
Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transactions'.

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

Ex gratia expenses
Ex gratia expenses mean the voluntary payment of money or other non monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset
A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual or statutory right:
- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d) a contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial liability
A financial liability is any liability that is:

(a) a contractual obligation:
- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

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

Financial statements
A complete set of financial statements comprising:

(a) a balance sheet as at the end of the period;

(b) a comprehensive operating statement for the period;

(c) a statement of changes in equity for the period;

(d) a cash flow statement for the period;

(e) notes, comprising a summary of significant accounting policies and other explanatory information;

(f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and

(g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

Grants
Specific purpose grants are paid for a particular purpose and/or have conditions attached regarding their use.

Interest expense
Costs incurred in connection with the borrowing of funds includes interest on short-term and long-term borrowings.

Interest income
Interest income includes interest received on bank term deposits and short-term deposits.

Investments
Investments are term deposits with a maturity date greater than 90 days.

Leases
Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

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

Net result
Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

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

Net worth
Net worth is assets less liabilities, which is an economic measure of wealth.

Non-financial assets
Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, plant and equipment, infrastructure assets and cultural assets.

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

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

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

Other economic flows – other comprehensive income
Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. The components of other economic flows other comprehensive income include:

- changes in physical asset revaluation surplus.

Other income
Other income consists of gains/losses on disposal of property, plant and equipment.

Payables
Payables include short and long term trade debt and accounts payable, grants, taxes and interest payable.

Receivables
Receivables include short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

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

Service equipment
Relates to high volume, low cost items used multiple times in service delivery and includes crockery, cutlery and glassware.

Supplies and services
Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Trust.

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

Work in progress
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.

Disclosure Index

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

Report of Operations

Charter and purpose	**Page**
FRD22H Manner of establishment and the relevant Minister	5
FRD22H Purpose, functions, powers and duties	6
FRD8D Departmental objectives, indicators and outputs	7
FRD22H Key initiatives and projects	7
FRD22H Nature and range of services provided	23
Management and structure	
FRD 22H Organisational structure	18
Financial and other information	
FRD10A Disclosure index	65
FRD22H Occupational health and safety policy	19
FRD22H Summary of the financial results for the year	11
FRD22H Significant changes in financial position during the year	32
FRD22H Major changes or factors affecting performance	32
FRD22H Subsequent events	61
FRD22H Application and operation of *Freedom of Information Act 1982*	21
FRD22H Compliance with building and maintenance provisions of *Building Act 1993*	22
FRD22H Statement on *National Competition Policy*	22
FRD22H Application and operation of the *Public Interest Disclosure Act 2012*	22
FRD22H Details of consultancies over $10 000	20
FRD22H Details of consultancies under $10 000	20
FRD22H Disclosure of ICT expenditure	20
FRD22H Statement of availability of other information	23
FRD25C Victorian Industry Participation Policy disclosures	20
Compliance attestation and declaration	
SD5.1.4 Attestation for compliance with Ministerial Standing Direction	23
SD5.2.3 Declaration in report of operations	5

Financial Statements

Declaration	**Page**
SD5.2.2 Declaration in financial statements	24
Other requirements under Standing Directions 5.2	
SD5.2.1(a) Compliance with Australian accounting standards and other authoritative pronouncements	32
SD5.2.1(a) Compliance with Ministerial Directions	32
Other disclosures as required by FRDs in notes to the financial statements	
FRD11A Disclosure of Ex gratia Expenses	57
FRD21C Disclosure of Responsible Persons, Executive Officers and other Personnel	58
FRD103G Non-Financial Physical Assets	37
FRD110A Cash Flow Statements	30
Legislation	
Freedom of Information Act 1982	21
Building Act 1993	22
Public Interest Disclosure Act 2012	22
Victorian Industry Participation Policy Act 2003	20
Disability Act 2006	21
Financial Management Act 1994	23