

Melbourne Convention and Exhibition Trust

ANNUAL REPORT 2016–2017

Melbourne Convention and Exhibition Trust ANNUAL REPORT 2016–2017

Melbourne Convention and Exhibition Trust

1 Convention Centre Place South Wharf VIC 3006 Australia T +613 9235 8000 F +613 9235 8001 ABN 17 434 286 169 www.mcec.com.au

This Annual Report is printed on ecoStar 100% recycled uncoated stock, 100% FSC certified post-consumer recycled pulp and is carbon neutral.

CONTENTS

CHAIRPERSON'S FOREWORD	4
OPERATIONS REPORT	6
HISTORY AND BACKGROUND	6
YEAR IN REVIEW	7
PURPOSE AND FUNCTIONS	7
OBJECTIVES, INDICATORS AND OUTPUTS	7
FINANCIAL INFORMATION SUMMARY	12
GOVERNANCE AND ORGANISATIONAL STRUCTURE	14
POWERS AND DUTIES	14
THE TRUST'S MINISTER	14
TRUSTEES	14
TRUST INFORMATION	16
EXECUTIVE MANAGEMENT	17
ORGANISATION STRUCTURE	18
OCCUPATIONAL HEALTH AND SAFETY	18
OTHER DISCLOSURES	19
FINANCIAL STATEMENTS	23
NOTES TO THE FINANCIAL STATEMENTS	31
DISCLOSURE INDEX	60

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 2017.

This report provides consolidated information on the activities of Melbourne Convention and Exhibition Centre (MCEC) located in South Wharf, Victoria. MCEC comprises the Melbourne Exhibition Centre, opened in February 1996 and the Melbourne Convention Centre, opened in June 2009. These two fullyintegrated facilities trade as Melbourne Convention and Exhibition Centre, under the direction of the Trust.

I'm very pleased to report that in 2016/17, MCEC achieved its best ever revenue result, recording \$80.1 million in operating revenue; a \$3.1 million increase on 2015/16. MCEC's Technology Services department was the largest revenue growth area, increasing by 9.9 per cent to \$13.1 million.

This is the fifth consecutive year that MCEC has recorded a year-on-year increase in operating revenue, which is testament to the skills and expertise of management to capitalise on a thriving Victorian business events industry. Additionally, findings verified by EY measuring the economic and social value of MCEC's business events concluded that the venue contributed \$969.1 million to the Victorian economy in 2016/17; an increase of 1 per cent on financial year 2015/16.

Underpinning this milestone is an unwavering focus and belief that our people are our greatest asset. By building the foundations of a solid and sound culture, MCEC's ability to adapt, innovate and adopt new ways to conduct business ensures that the venue continues to maintain its strong position in a fiercely competitive landscape.

Performance of MCEC for the 2016/2017 financial year was predominantly influenced by the following factors:

- A considered move away from an operations-driven to a customer-centric business model, implementing key recommendations arising from MCEC's customer journey research.
- Increasingly resourced and aggressive competition from local, national and international venues and destinations, most notably from the International Convention Centre (ICC) Sydney, which opened in December 2016.
- Increased diversification of the types of events conducted at MCEC to generate new revenue streams, focussing on customer segmentation and profitability analysis.
- Improved utilisation of available space in conjunction with the South Wharf precinct and our customers.
- Growth of existing events held at MCEC and the ability of the business to provide creative solutions to accommodate this growth.
- Significant investment in improving forecasting accuracy and accountability, specifically through the Key Business Indicators Report.
- A strong and stable financial position, which continues to deliver record revenue growth year on year.

Over the last 12 months, 1,026 events were held at MCEC. These events attracted 867,705 delegates, including 25 international conventions involving 27,254 delegates and 50 national conventions which attracted 40,959 delegates.

Concert and entertainment events was the largest growth area, increasing by more than 50 per cent on financial year 2015/16, due to a popularity rise in MCEC's Plenary as its own stand-alone concert venue. The exhibition market continued to play a pivotal role in driving business, with 77 exhibitions held at the venue.

MCEC also continues to be supported by the world-leading Club Melbourne Ambassador Program which, in 2016/17, helped to win eight International events, yielding an estimated economic impact of \$43.3 million for Victoria.

Notable events held at MCEC in 2016/17 include:

- World Congress on Intelligent Transport Systems (ITS World Congress) 2016
- Cisco Live 2017
- Telstra Vantage (TM) 2016
- PAX 2016
- 15th World Congress on Public Health WCoPH 2017
- Coles Store Managers Roadshow 2016
- IASSIDD 15th World Congress (World Congress of the International Association for the Scientific Study of Intellectual and Developmental Disabilities)
- AWISA (Australian Woodworking Industry Suppliers Association) Exhibition 2016
- Reed Gift Fairs Melbourne August 2016
- International Congress of Immunology (ICI) 2016

Over the next financial year, MCEC will undertake its largest business change in recent times, when the venue opens its much-anticipated expansion. Due for completion in mid-2018, this new space will be fully-connected and integrated with the existing buildings, increasing the venue's total size to over 70,000 square metres; cementing MCEC's title as the largest pillar-less convention and exhibition venue in the Southern Hemisphere.

In identifying the need to strengthen our workforce to support our expanding business, we will be recruiting roles across both operational and non-operational departments over the next 12 months to ensure that we are in the best possible position to continue to provide positive economic returns to the State of Victoria.

As one of the largest pieces of public infrastructure in Melbourne, it is my firm belief that MCEC has an increasing responsibility to support our community through sustainable business practices and partnerships. After more than a decade of sustainable practice, MCEC achieved the coveted Gold Certification in June 2016 from EarthCheck, the world's leading sustainable benchmarking organisation. From eliminating the use of all plastic water bottles in catering to replacing over 600 light fittings to energy-efficient alternatives, these initiatives demonstrate that MCEC goes well beyond the "tick box" approach to sustainability, implementing unique and innovative measures which benefit both the environment and the local community.

In 2013/14, MCEC commenced a long-term agreement with The Royal Children's Hospital Good Friday Appeal to provide the space for the Appeal's annual fundraising event, "Kid's Day Out." This is the largest community event held at the venue and in 2017 more than 95,000 Victorians attended. Generous donations and fundraising efforts by the Victorian community saw over \$17.6 million raised for the 2017 Appeal.

A strong external community focus lends itself to building an internal culture within MCEC that employees can embrace with pride. The venue's employee-driven, organisation-wide cultural program "unity" is built around a set of guiding principles that empower employees to work together with integrity and respect to deliver exceptional event experiences for our customers.

Despite an increasingly competitive marketplace, MCEC continued to be recognised globally as a venue of choice in 2016/17. Awards received included:

- 2017 World Travel Awards Australasia's Leading Meetings and Conference Centre
- 2016 Australian Food Awards one Best in Class award, two Gold medals, two Silver medals and two Bronze medals
- 2016 EEAA Awards for Excellence Best Venue Team
- 2016 National Meetings and Events Australia Awards – Operations Person of the Year
- 2016 National Meetings and Events Australia Awards – Meeting Venue 500 Delegates or More
- 2016 Victorian Meetings and Events Australia Awards – Banguet and Catering

Both the employees of MCEC and the people of Victoria should be very proud of the economic contribution MCEC's operations make to the Victorian economy and the wonderful community asset it continues to be.

After 20 years as Chairperson of the Trust, it is now my time to bid a very fond farewell to MCEC. I wish incoming Chairperson, The Hon. John Brumby AO, much success in his new role and have the utmost of confidence that he will ably continue the great work this thriving business does for the State of Victoria.

I am extremely privileged to have secured the faith and support of governments over the past 20 years to guide the operations of MCEC, and it has been my absolute pleasure to serve as Chairperson of the Trust.

I would like to take this opportunity to thank my fellow Trustees for their contribution during 2016/17. The hard work and dedication of all Trustees has been much appreciated. I would also like to thank the Minister for Tourism and Major Events, Hon. John Eren MP and the team at the Department of Economic Development, Jobs, Transport and Resources who have been extremely supportive and encouraging.

Finally, on behalf of all my fellow Trustees, I would like to recognise and commend the efforts of MCEC's Chief Executive Peter King, our senior management and all employees for their commitment and outstanding performance throughout this record-breaking year.

My sincerest regards go out to you all.

Robert Annells PSM Chairperson Melbourne Convention and Exhibition Trust

OPERATIONS REPORT

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 State 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 State 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 State Government announced \$205 million for the expansion of Melbourne Convention and Exhibition Centre (MCEC) in the 2015/16 State Budget. This project commenced in May 2016 and is on-track for completion in mid-2018. Fully-connected and integrated with both the Exhibition Centre and the Convention Centre, an additional 74,000 international visitors will come to Melbourne each year as a result of this expansion, providing an estimated \$167 million annual boost to the Victorian economy.

The Trust reports to the Minister for Tourism and Major Events, The Hon John Eren MP.

Year in review

Our vision

To be the world's best events destination, leading the way in service, food and technology.

Our mission

To connect people through memorable experiences.

STRATEGIC PILLARS

Our People and Culture To be an employer of choice.

Our Customer

To be the venue of choice for our customers in the region.

Our Corporate and Financial Health To be financially sustainable and maintain prudent corporate decisions.

Our Community

To grow our community impact.

The Trust's primary aim is to attain optimum utilisation of available space, enhance the profile of MCEC and the State of Victoria as a place to do business, and to achieve specific organisational objectives by implementing strategies linked to MCEC's four strategic pillars.

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.

Objectives, indicators and outputs

MCEC is a contemporary organisation that consistently receives domestic and international accolades as a leading exhibition and convention facilities provider. In 2015/16, MCEC developed a three year Strategic Plan to articulate areas of focus for the business and to respond to customer needs.

Underpinned by MCEC's strategic pillars, eight strategic priorities were identified which have allowed the business to better serve its customers, stakeholders and the local community.

- 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.

STRATEGIC PRIORITY ONE

Collectively manage customer relationships, revenue, profit and economic impact

As part of the Trust's ongoing commitment to ensuring the health of the business, MCEC is focussed on satisfying customers' needs, achieving budget targets and acknowledging the value that the venue, and the business events industry more broadly, contributes to the local economy.

In 2016/17, MCEC provided \$969 million worth of positive economic impact to the Victorian economy – another 'best ever' result. This result directly reflects the venue's commitment to, wherever possible, source local ingredients and procure local suppliers. This financial year, 83 per cent

of total expenditure was directed towards Victorian businesses and 95 per cent of food and beverage purchases were from Victorian suppliers.

Domestic competition to stage national and international events continues to grow each year, with the venue's major competitive focus being on the International Convention Centre (ICC) Sydney which, following a \$1 billion investment, opened for business in December 2016. Major infrastructure investment in the Middle East, Korea, Singapore, Macau, China and Malaysia also adds to the diversity of available venues in the industry, with respective governments providing substantial event subsidies to secure business.

Financial reporting, forecasting and the provision of strong corporate support functions continue to be of the highest quality within MCEC.

To ensure that MCEC continues to drive revenue and economic contribution, a key strategic action identified in 2016/17, to be implemented in financial year 2017/18, was the development of a sales, marketing and business development plan that identifies key growth areas across MCEC's market segments, setting a clear direction on how the business will reach and exceed sales targets.

Additionally, MCEC has set ambitious future revenue targets that take into account the opening of the venue's expansion in mid-2018, with forecast revenue to increase by 77 per cent by 2022. In 2016/17, the business evolved its activities to help reach these targets by creating a dedicated business development and research department, responsible for identifying future growth areas and ensuring that a proactive sales approach is adopted throughout MCEC.

In order to ensure the ongoing quality of MCEC's service standards, the Trust undertakes a significant customer feedback review program with an external third party on a quarterly basis. The Trust is committed to the ongoing improvement in the satisfaction rating of its customers.

With the addition of a Security Manager to the team at MCEC in 2016/17, the venue's attention to the changing security landscape has elevated. In response to customer concerns and a general obligation to provide a safe and secure venue for employees and visitors, the enhancement of venue-wide security efforts has been well received and recognised. MCEC collaborates with all agencies, local and national, within this space.

MCEC reports to the Trust on a monthly basis regarding the Occupational Health and Safety (OH&S) and Procurement functions of the business. Ongoing independent assessments of OH&S and related practices are undertaken to monitor whether industry best practice standards are being achieved.

In 2016/17, MCEC experienced a reduction of 20 per cent in employee safety incidents relative to hours worked. Lost Time Injury Frequency Rate, which measures the number of injuries serious enough to result in a missed shift, remained stable. There have been no employee incidents of a serious nature during the year, which is a tribute to the high level of health and safety practices currently in place at MCEC. A concentrated educational program focussing on employees owning safety was implemented in 2016/17. Within workplace safety, the most successful strategies to reduce injuries are those owned by the employees on the floor performing manual tasks, who are most at risk. Based on this premise, the program is designed for maximum effectiveness by driving employee ownership of OH&S.

During 2016/17, compliance and risk management frameworks were refined and are industry-leading in their effectiveness and simplicity.

The Trust continues to take an active role in inter-venue forums in relation to operations, customer experience, people and culture, marketing and communications, finance and information technology. These forums serve to better inform both ongoing operational activities and systems, and also provide useful competitive insights to enable further development in these areas.

MCEC's Executive Team plays an active and 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)
- Conventions Australia
- Destination Melbourne
- Melbourne Convention Bureau (MCB)
- AIPC International Association of Convention Centres
- Melbourne Chamber of Commerce
- South Wharf Precinct operations, development and marketing committees.

Work continues with government sectors and our Public Private Partner, Plenary on the detailed functional design work, procurement and delivery model of the expansion of MCEC.

STRATEGIC PRIORITY TWO

Build a smarter and more productive business

The identification of the need to upgrade and consolidate critical systems within MCEC has brought about the initiation of a Human Resource Information System (HRIS) project in 2016/17. This project is focussed on providing an integrated and seamless system involving payroll and rostering systems, as well as integrating talent management and learning and development programs. This centralised system will improve efficiencies and allows the business to capture important data that can be used to inform future business decisions.

In 2016/17, MCEC developed a framework for Information and Communications Technology (ICT) governance, which will be implemented in the next financial year. The continued development of the venue's Knowledge and Information Plan is ongoing. In addition, a Mobility and Accessibility Plan has been developed to improve and enhance accessibility for MCEC employees working remotely.

These initiatives will continue to have a significant impact on MCEC's daily business activities in 2017/18 and in future years.

In 2016/17, MCEC continued to invest in refurbishing facilities in both the Exhibition Centre and the Convention Centre while upgrading technology throughout the venue. Specifically, the Trust invested \$7.5 million on 50 capital works projects to respond to trends and competition within our industry across all asset classes. This included significant investment in an audio system refurbishment, a venue-wide wireless infrastructure upgrade and the completion of stage two of the Exhibition Centre kiosk refurbishments.

Investments in technology are based on sound business cases that evidence productivity gains, greater margins, a superior product and most importantly, products that offer more cost-effective solutions for MCEC's customers.

STRATEGIC PRIORITY THREE

Create a persistent focus on the customer in all of our actions

MCEC's business activities continue to challenge the team to find ways to lead the world as global and domestic competition becomes increasingly well-resourced and more aggressive.

Over the past two years, MCEC has made a considered move away from an operations-driven business to a customercentric organisation. To this end, MCEC averaged an 85.5 per cent customer satisfaction rating during 2016/17.

In 2016/17, MCEC strategies saw a centralised focus on market and customer segmentation and profitability analysis. This included a more sophisticated approach to personal account management as well as targeted marketing based on the needs of distinct customer segments – exhibition customers, convention customers, concert promoters, gala organisers, public event visitors, delegates and small meetings organisers and attendees.

Research conducted showed that MCEC continues to turn away significant business opportunities due to lack of available space. As a result of this, strategies to better manage space optimisation and improve yield were developed with the aim of utilising areas within MCEC more efficiently.

MCEC continues to implement the findings and implications of customer journey research conducted in 2015/16, which has been the key determinant of a renewed customer-centric business strategy. Elements of this have been delivered this year, with the most significant piece being the Customer Portal project. Providing an online, centralised location to house contracts, run sheets and other event-specific documents, the Customer Portal will be launched in Q1 2017/18 and will revolutionise the way in which MCEC interacts with its customers, and vice versa. It will eliminate many perceived communication and process issues that were identified in the original customer journey research.

Operationally, a robust continuous improvement process was implemented in 2016/17, including the establishment of a primary event contact "on the floor" at each event, providing an empowered escalation point for customers. Together, these initiatives have brought about an improved method to immediately rectify any event-related issues.

MCEC's Key Account Management Program continued to evolve in 2016/17, as the business worked more closely with major customers in each business area. Individual event categories now have specific growth strategies to ensure the success of the program. The key learnings of this program around closer management and collaboration have been filtered down into the broader customer base very effectively.

MCEC works closely with the Melbourne Convention Bureau (MCB) to drive the "Hero Event" strategy, based on attracting international conventions to Melbourne. Whilst large international events are getting harder to attract due to the increasingly competitive market, MCEC continues to successfully deliver in this area.

The Trust remains focussed on attracting national and international conventions to MCEC, and there are currently 43 international conventions of various sizes and 51 national conventions booked at MCEC over the next two years.

The venue also continues to investigate new revenue streams, working closely with customers to provide a product that caters to industry needs, while creating future business opportunities. An example of a source of new, innovative revenue growth is MCEC's Inaugural Strategy, which allows the business to incubate and support new event opportunities. This is a new initiative that will require further nurturing and refinement in the future, but it continues to work well.

The Club Melbourne Ambassador Program continues to have a positive impact on MCEC's profitability and international reputation. Club Melbourne works with Ambassadors and organisations to support the creation of new business events in Melbourne, in line with the Victorian State Government's priority sectors, particularly targeting high-value domestic and international association conferences.

In 2016/17, Club Melbourne Ambassadors secured 14 international conferences that were held at MCEC, resulting in over \$94.3 million of economic impact to Victoria. Additionally, in 2016/17, Club Melbourne Ambassadors helped to win eight event bids for future events that will yield an estimated economic impact of more than \$43.3 million for the State.

Club Melbourne currently consists of 121 inducted Ambassadors who have collectively been involved in securing over 125 international conventions for MCEC, worth over \$702 million to the State of Victoria since the program's inception. The Club Melbourne Fellowship was established to support the next generation of Melbourne's research leaders and potential future Club Melbourne Ambassadors.

One Fellowship is available annually for a Victorian-based, mid-career researcher, providing access to the exclusive Club Melbourne network for a year as well as funding of \$10,000 to support research that must include, but is not limited to, attendance at an international conference specifically for enabling access to a program of research.

Many cities around the world are now adopting the Club Melbourne Ambassador Program concept, however Club Melbourne, with the active participation of the Governor of Victoria, the Premier of Victoria and relevant Ministers, remains a world leader.

STRATEGIC PRIORITY FOUR

Create insightful information and analysis for exceptional performance tracking and decision making In 2016/17, MCEC worked to more effectively harness data to produce insightful analytics to inform business decisions. Investment in resources to better analyse venue utilisation and yield, along with a targeted approach to manage the delivery of profitable and repeat business, have been particular areas of focus.

A major project undertaken in 2016/17 to ensure that MCEC is appropriately resourced for the venue's upcoming expansion was the People Resource Project. The aim of this initiative was to identify capability gaps in the MCEC workforce that would need to be filled, taking into consideration expansion requirements and the challenges associated with increased revenue targets beyond 2017/18.

This was a project that involved the whole organisation and outcomes are due for implementation in Q1 2017/18. This was a successful collaborative effort that will hold the business in great stead in the future.

With the introduction of the monthly Key Business Indicators report in 2015/16, MCEC continues to take reporting to new levels. Key indicators are regularly presented to the Trust and management is accountable for the actions arising from this report.

In relation to the daily delivery of MCEC's products and services, metrics continue to be used to monitor key drivers of performance, from employee engagement to internal customer service.

STRATEGIC PRIORITY FIVE

Introduce talent and new perspectives

MCEC understands that people are the critical ingredient required to differentiate the business from competition, achieve organisational goals and to ensure sustainable growth and competitive advantage in the future. MCEC's People and Culture Division continues to provide leadership and focus, driving the people component of the Strategic Plan and ensuring employees are engaged and aligned with the business.

A persistent focus on "our people" as a core business pillar has once again been enhanced during 2016/17 through MCEC actively pursuing new talent while investing in and developing existing employees.

Engagement with employees continues to improve, despite the increasing challenges the venue faces as the workforce grows and communications channels evolve. Results of MCEC's 2016/17 Employee Engagement Survey indicated that 82 per cent of employees understood how their work contributes to the goals of MCEC, with over three quarters of employees strongly believing that MCEC is in a position to really succeed over the next three years.

The introduction of our Employee Value Proposition (EVP) this year, developed in conjunction with a dedicated employee group, has had a significant positive impact on MCEC's employer brand. "Expect Anything, Experience Everything" accurately reflects the business environment that MCEC employees work in every day.

Continued investment in our internal cultural program in 2016/17, "unity", has ensured that all employees adopt and are held accountable to MCEC's guiding principles of excellence, integrity, respect, innovation, and working together. "unity" is the driver of a cohesive and inclusive culture at MCEC and will remain that way.

STRATEGIC PRIORITY SIX

Create an environment for employees to reach their potential and build our people capability

MCEC believes that outstanding employee performance supports the execution of both long and short-term business objectives and, as such, all performance management practices are aligned with business and talent management strategies and organisational culture.

In an ever-changing national and international business events landscape, MCEC remains committed to developing capabilities within the business to realise its vision to be the world's best events destination.

To promote an environment that enables individuals to fulfil their potential and supports the development of employees, MCEC's annual performance review process for all full-time, non-EBA employees, Meet, Align, Perform (MAP), encourages regular performance and development conversations between employees and managers. A key outcome of these conversations provides the business with an opportunity to identify employees with high potential, and to establish a structured process that encourages development and provides opportunities to grow careers within MCEC. To leverage this, in 2016/17, MCEC developed the High Potential (HiPo) process.

The HiPo process encompasses all non-EBA employees who have completed the MAP process, and who meet the HiPo qualifying criteria each year after the conclusion of the MAP cycle on 30 June. Employees who are identified as having high potential are notified and a development plan is activated. The 2016/17 performance year was the first year of the HiPo process, and 15 per cent of eligible employees across MCEC and from all Divisions were identified as HiPo, which was an outstanding achievement.

In 2016/17, MCEC spent \$465,673 on employee learning and development opportunities across the full-time and casual workforce.

Despite managing an increased number of projects, the venue's expansion requirements and general "business as usual" activity, MCEC recognises the need to ensure that the business remains innovative.

MCEC's innovation program, THINK continues to prove that some of the best business ideas and changes come from the employees of MCEC. Employees are encouraged to submit ideas and process changes through the intranet where the Executive Team is able to capture and nurture innovation across MCEC.

In the past 12 months, 13 process changes were identified and corrected and 11 inspirational THINK ideas were registered, with seven of these completed in the current financial year.

This deserves special recognition as the effort to facilitate these new ideas in such a busy environment shows real courage and a commitment to being the best in the industry.

STRATEGIC PRIORITY SEVEN

Build a focussed, community-minded culture

MCEC is one of the largest public assets in Melbourne and as such, community engagement is a key organisational area of focus. This is most evident through observing how proud MCEC employees are of community engagement initiatives throughout the venue.

In 2016/17, for the first time, MCEC developed a Community Engagement Strategy that has assisted the venue in identifying how and where it can have an impact on the local community. This strategy will continue to be executed in 2017/18 and will be more broadly communicated to drive awareness. Discussions are currently underway with a number of new community engagement partners and MCEC employees are driving the commencement of a volunteering program. This volunteering program enables MCEC employees to take paid leave each year to volunteer with one of the venue's charity partners. In 2016/17, MCEC continued its work in specific areas of support for long-standing partners including the Starlight Children's Foundation and Variety Australia.

MCEC hosted and sponsored the 2017 Royal Children's Hospital Good Friday Appeal for the fourth time, with a number of MCEC employees volunteering their time to help deliver this event. Over 95,000 Victorians attend this event and it continues to be the largest community engagement event that MCEC hosts on an annual basis.

MCEC also supported the 2017 Vinnies CEO Sleepout to raise vital funds and grow awareness of homelessness for the fifth consecutive year.

MCEC's Environmental Taskforce (collaboration between MCEC's public private partners, Plenary and Brookfield Global Integrated Solutions (BGIS) management) and Operation Green (comprising MCEC, BGIS and IKON employees) continue to drive positive environmental outcomes for the venue. A significant increase in diversion of waste from landfill has been achieved, with 60 per cent of all waste from the venue recycled. Additionally, since 2015/16, carbon emissions have been reduced by 10 per cent.

The Trust is also an active supporter of SecondBite, OzHarvest and Launch Housing, with many MCEC employees participating in individual and group activities that have raised funds for a variety of not-for-profit groups.

In 2016/17, MCEC donated 28,542 meals which equates to 9,514 kilograms of food through Oz Harvest's food rescue donation program.

STRATEGIC PRIORITY EIGHT

Provide our customers with greater opportunity to connect through the development of our expansion With the commencement of MCEC's expansion in May 2016, the organisation continues to work strategically to ensure that the quality of amenities built will allow the business to enhance its status as a world-class facility. This project has been a major focus during 2016/17 and has consumed significant human resources. The outcomes remain positive in that the venue is delivering a world-class amenity to an already successful footprint, on time and within budget.

Significant work is underway to formalise a comprehensive operations plan that encompasses the expanded venue, and to refine on-site customer, employee and contractor induction programs to include the new spaces within the expansion.

During 2016/17, MCEC generated a marketing and communications plan to build awareness of the expansion to customers and the industry. This plan has included: electronic direct mail, hard-hat tours for customers and stakeholders, internal communications and customer briefing events.

Part of this process has involved the integration of the newly expanded space into existing sales processes, along with developing a risk transition plan for all parties involved.

Financial information summary

Five Year Financial Summary

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

	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
Income from transactions	87,716	84,610	84,379	82,762	79,773
Expenses from transactions	102,118	97,464	97,578	101,330	107,944
Net result from transactions	(14,402)	(12,854)	(13,199)	(18,568)	(28,171)
Net result for the period	(14,301)	(12,978)	(13,250)	(18,575)	(28,118)
Net cash flow from operating activities	10,403	14,527	15,125	14,024	11,139
Total assets	1,004,902	1,016,094	872,940	886,267	898,143
Total liabilities	305,488	302,379	302,637	303,534	296,834

COMPREHENSIVE OPERATING STATEMENT

The net result from transactions for the year ended 30 June 2017 was a deficit of \$14.4 million (2016: \$12.9 million deficit). Before depreciation and interest expense, a positive result of \$15.1 million, was recorded compared with \$18.2 million in 2015/16.

Revenue

MCEC recorded its highest ever revenue in 2016/17.

The comprehensive operating statement of the Trust for the year ended 30 June 2017 reports total income from transactions of \$87.7 million, which is an increase of \$3.1 million (3.7 per cent) from the previous year.

This result is predominantly due to sales of goods and services which increased by \$3.1 million (4.0 per cent) from 2015/16. Increases in event requirements and attendance as well as the acquisition of new events assisted with this growth in revenue.

Included in grant income is an amount of \$5.4 million (2016: \$5.2 million) which represents the grant from the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) for the replacement of assets over the life of the Melbourne Exhibition Centre and Melbourne Convention Centre. The asset life cycle replacement grant is captured in the balance sheet as a non-financial asset until such time as assets are replaced in accordance with the asset replacement schedule outlined in the Project Agreement.

Expenses

Total expenses from transactions, as defined in the financial statements, totalled \$102.1 million (2016: \$97.5 million).

Purchases of supplies and services have increased by \$2.8 million (8.4 per cent). This increase can be partially explained by the increase in operating revenue. Included within supplies and services are maintenance costs totalling \$3.9 million (2016: \$2.3 million) a 66.7 per cent increase on the prior year. This increase is connected to lifecycle works, a non-cash expense, which has increased as additional replacement works are required as buildings age. These works are performed in accordance with the Project Agreement.

Employee expenses have increased by \$3.8 million, reflecting additional casual employee hours required to service increased activity within the business, coupled with a focus on reducing agency labour and an increase in salary levels consistent with VPS guidelines.

The interest expense of \$10.5 million (2016: \$10.4 million) relates to the interest charged on the loan with DEDJTR, which partly funded the Convention Centre asset.

Depreciation expense of \$18.9 million (2016: \$20.8 million) has decreased from the prior year due to a change in the effective life of buildings based on the latest building revaluation performed by the Valuer General in 2015/16.

BALANCE SHEET

The balance sheet of the Trust as at 30 June 2017 reports net assets of \$699.4 million (2016: \$713.7 million).

Assets

Cash and deposits have decreased by \$1.6 million and investments and other financial assets have decreased by \$3 million. Both of these reductions are due to the loan repayment to DEDJTR and an increase in purchases of non-financial assets compared to the previous year.

Property, plant and equipment has decreased by \$10.7 million. The decrease reflects depreciation expense for the year, partly offset by asset additions from completed capital projects.

Other non-financial assets have increased by \$2 million which is predominantly attributable to the capital replacement receivable taken to account during the year, reduced by lifecycle works completed under the Project Agreement.

Liabilities

The interest bearing liability of \$281.6 million (2016: \$278.6 million) represents the value of the loan with DEDJTR, inclusive of accrued interest.

Other liabilities of \$13.1 million (2016: \$13.1 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 a decrease of \$1.6 million in cash held (2016: \$3.7 million decrease). Total cash holdings as at 30 June 2017 are \$4.9 million (2016: \$6.5 million). Cash flows from operating activities were \$10.4 million for the year (2016: \$14.5 million).

Cash flows used in investing activities reflect assets purchased and expenditure on capital improvements, most notably investment in upgrading the Exhibition Centre kiosks and an audio system refurbishment. Purchases of nonfinancial assets totalled \$7.5 million (2016: \$5.9 million).

Cash flows from financing activities include the loan repayment to DEDJTR of \$7.5 million (2016: \$11.3 million).

STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity records a net decrease in total equity of \$14.3 million to \$699.4 million. The movement in this statement reflects the current year's 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 and Major Events.

The Trust's Minister

Minister for Tourism and Major Events.

The Honourable John Eren MP is the Victorian Minister for Tourism and Major Events, Minister for Sport and Minister for Veterans, a position he has held since December 2014.

Minister Eren is responsible for safeguarding Victoria's position as a world leader for business events, major events and tourism, and its title as Australia's sporting capital.

Trustees

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

MR ROBERT ANNELLS, PSM

Chairperson

Mr Annells' tenure as Chairperson was extended for 12 months to 10 August 2017. Mr Annells served as Chief Executive of Tourism Victoria from March 1993 to June 1998. Prior to this he was the inaugural Chief Executive of the Melbourne Docklands Authority. Mr Annells has been a member of the Trust and its predecessor Melbourne Exhibition Centre Trust since 1994 and has been the Chairperson since 1 January 1998. He is currently Chairman of TasRail and was formerly the Chairman of the Northern Territory Tourist Commission; Tourism Tasmania; Victorian Tourism Industry Council; VicTrack and Forestry Tasmania.

MS YVONNE VON HARTEL AM

Trustee

Ms von Hartel was reappointed to the Trust for a further 12 months commencing 22 June 2017. She is a founding principal of the national architectural practice, peckvonhartel. She has extensive experience in the practice of architecture having worked on major projects in Australia and South East Asia, including infrastructure, commercial and mixed use developments, institutional projects and historic building refurbishments. She acts as Design Adviser to Australia's largest corporations and government agencies. Ms von Hartel is a Commissioner of the Victorian Building Authority, Director of the Queen Victoria Market, Council member of La Trobe University, board member of the ACT Land Development Agency, Chair of the Victorian Building Regulations Advisory Committee and a member of the University of Wollongong, SMART Infrastructure Advisory Council. Positions she has held include Founding Director/Company Secretary of the Melbourne Forum, Director of the Linking Melbourne Authority, Chair of the Victorian Skills Commission and the Southbank Arts Precinct Working Group. Ms von Hartel previously served as a Director of the publicly listed company ConnectEast, owner and operator of Eastlink. In 2007, Yvonne was awarded a Member of the Order of Australia for 'services to architecture, design and building through involvement with a range of professional organisations, to the promotion of women in business, and to the community'.

MS MARIE JACKSON

Trustee

Ms Jackson was reappointed to the Trust for a further three years commencing on 22 June 2017. With rich experience in the incentive, meetings and tourism industries, Ms Jackson is an Executive Director of Solterbeck. Solterbeck works with companies to increase the engagement and performance of their employees and channel partners and incentive travel, conferences and events are key components of the programmes it manages. Ms Jackson is a former Senior Executive of major communication agencies in Australia and New Zealand and, in that capacity, has been a member of the M&C Saatchi worldwide Board, a regional partner of Publicis Mojo and a Board Director of Ogilvy & Mather. Ms Jackson currently sits on the board of the Indigenous Art Code.

MR JONATHAN METCALFE

Trustee

Mr Metcalfe was reappointed to the Trust for a further three years commencing 1 July 2016. He currently acts as a Senior Strategic Advisor to LEK Consulting, as well as also being the Principal of JNM Advisory Services Ptv Ltd. Prior to this Mr Metcalfe was the Public Transport Lead Advisor to PwC and before this was 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 for a further three year term commencing 1 July 2016. She is an experienced financial services Senior Executive, Non-executive Director and Audit Committee Chair. She is also a Director, member of the Audit Committee and Chair of the Risk Committee of Beyond Bank Australia, Chair of the Australian Packaging Covenant Limited, Director and Chair of the Audit & Risk Management Committee of the Chisholm Institute of TAFE, Director and Chair of the Audit Committee of Agriculture Victoria Services Pty Ltd, and Director and member of the Audit & Finance Committee of Australian Hearing Services. In January of 2015, Ms Andersen was appointed as Chair of the Audit and Risk Committee for the Department of Premier and Cabinet. 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.

MR MATTHEW MILLS

Trustee

Mr Mills was reappointed to the Trust for a further three years commencing 1 July 2016. He is the National Sales and Marketing Director at GCP, a major manufacturer and supplier of materials to horticulture, agriculture and retail. Mr Mills has extensive experience in operations management and development of large-scale entertainment, hospitality and customer service venues in Australia and Europe. As General Manager Multiplexes, with VCA and Hoyts, he has delivered and managed new multi-site cinema megaplex operations internationally. He held the role of General Manager at Macro Wholefoods Supermarkets and Diggers Seeds. Previously, as Business Development Manager of The Letter Corporation, Mr Mills oversaw a network of national outdoor advertising sites. Mr Mills also serves as a Trustee at Southern Metropolitan Cemeteries Trust. He has previously served as a Trustee at Trust for Nature Victoria and Chair of D.R.G.A.C., a Community Advisory Committee for significant gardens to Parks Victoria.

MS PAULA BENSON

Trustee

Ms Benson was appointed to the Trust for three years commencing 30 May 2017. She is an experienced senior Corporate Affairs executive and Non-Executive Director of top NYSE and ASX firms. She has twenty years of experience across Banking and Financial Services, Mining and Resources, Infrastructure, Health, Education and Media.

Ms Benson has held senior roles in business including EGM Corporate Affairs and GM Corporate Responsibility at National Australia Bank and GM Corporate Affairs at Alcoa of Australia. She has run her own corporate affairs advisory practice and acted as Principal Advisor to boutique strategic consulting firm, 89 Degrees East supporting a wide range of clients across business, Government and the not-for-profit sector.

Ms Benson is a Director of the Victorian Funds Management Corporation and Chair of Ovarian Cancer Australia. She has previously served on the Boards of the Port of Melbourne Corporation, Port of Hastings Corporation and the Royal Women's Hospital Foundation.

Trust information

Appointments and Resignations

Mr Annells' Chairmanship was extended for 12 months until 10 August 2017 and was not renewed.

The tenure of Ms Marie Jackson was extended for a further three year period from 22 June 2017 to 21 June 2020 (both dates inclusive).

The tenure of Ms Yvonne von Hartel was extended for a further one year period from 22 June 2017 to 21 June 2018 (both dates inclusive).

Ms Paula Benson was appointed as a member of the Trust for a three year period from 30 May 2017 to 29 May 2020 (both dates inclusive). Ms Benson occupies the Trustee position that has been vacant since 11 August 2015, following the departure of Ms Linda Dewar.

Trust Meetings

A total of 10 Trust meetings were conducted during the year ended 30 June 2017.

	Held	Attended
Mr Robert Annells	10	10
Ms Yvonne von Hartel	10	9
Ms Marie Jackson	10	10
Mr Jonathan Metcalfe	10	9
Ms Sandra (Sam) Andersen	10	9
Mr Matthew Mills	10	9
Ms Paula Benson	10	1

An internal assessment of the Board of Trustees' performance was undertaken in 2016/17.

Sub-Committees

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

People and Culture Sub-Committee

Comprises all Trustees and is Chaired by Ms Marie Jackson.

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).

Risk Management Sub-Committee

Comprises all Trustees and is Chaired by Mr Matthew Mills.

The main responsibilities of the Risk Management 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 implementation of the Trust's Risk Management Plan to ensure that risks are appropriately identified, treated and reported.

Finance and Audit Sub-Committee

Ms Sam Andersen (Chair) Ms Marie Jackson Mr Jonathan Metcalfe

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

- Review and report independently to the Trust on the Annual Report and all other financial information.
- Assist the Trust in reviewing the effectiveness of the internal control environment covering:
 - Effectiveness and efficiency of operations
 - Reliability of financial reporting
 - Compliance with applicable laws and regulations
- Determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, including coordination with the external auditors.

Capital Works Sub-Committee

Ms Yvonne von Hartel (Chair) Mr Jonathan Metcalfe Mr Matthew Mills

The main responsibilities of the Capital Works Sub-Committee include:

- Assist the Trust in fulfilling its governance and oversee responsibilities in relation to investment in capital works including:
 - Recommending the annual capital works program for approval
 - Monitoring the progress of capital works
- Management of the Trust's artwork collection.

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 a number of industry Boards and other Committees within the international and domestic market.

CHIEF OPERATIONS OFFICER

Leighton Wood

The Chief Operating Officer is responsible for the daily operations of MCEC and the development of a robust strategic framework for the operations team. Leighton has delivered innovations in this space including the introduction of a robust continuous improvement process along with a designated, empowered delivery contact the entire time the customer is on site.

CHIEF FINANCIAL OFFICER

Geoff Stephens

The Chief Financial Officer is responsible for financial management and reporting to the Trust, Finance and Audit Committee and the Victorian State Government, along with the Procurement and Payroll functions. Geoff ensures financial and accounting policies and practices within MCEC are planned, developed and implemented to effectively and efficiently contribute to the achievement of the operational and strategic objectives of the business.

DIRECTOR OF PEOPLE AND CULTURE

Helen Fairclough

The Director of People and Culture is responsible for the development and oversight of the people function at MCEC. Helen's responsibilities also include talent acquisition/ recruitment, talent management and employee development, employee services including benefits, workplace relations, employee engagement, social and wellbeing initiatives, along with the integration of MCEC's unity cultural program across the business.

DIRECTOR OF CUSTOMER EXPERIENCE AND OPTIMISATION

Anne Jamieson

The Director of Customer Experience and Optimisation engages the broader team to purposefully manage customer relationships, the customer journey, revenues and profits while driving MCEC's strategic sales plan. This strategic sales plan forms the basis of MCEC to achieve and grow revenue targets across the business. Anne is responsible for management of Club Melbourne and inaugural event strategies for the business and is also the Chair of Meetings & Events Australia and a member of the AIME advisory board.

DIRECTOR OF STRATEGY AND INNOVATION

Michael Walsh

The Director of Strategy and Innovation is responsible for the development and execution of strategic planning across the organisation, as well as driving MCEC's innovation program that aims to establish a robust idea generation and project delivery framework. Additionally, Michael oversees the marketing and communications function at MCEC and is responsible for the design and delivery of MCEC'S expansion project.

DIRECTOR OF CORPORATE SERVICES

Barbara Adams

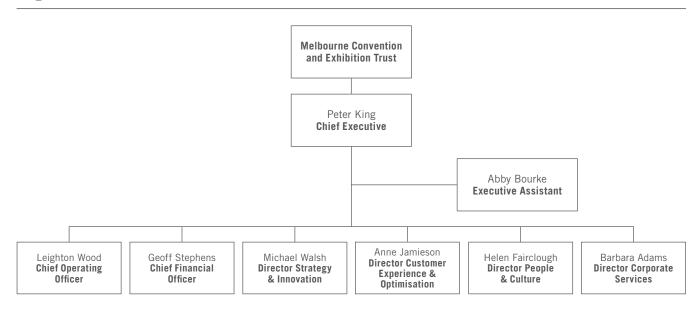
The Director of Corporate Services provides leadership to the Corporate Services division to enable the delivery of an innovative and reliable business technology platform that supports the Trust's business processes and ensures availability of business-critical information and knowledge. Barbara also provides specialist skills in contract administration of Public Private Partnership projects and manages a suite of corporate support services that provide assurance in relation to MCET's legal, risk and compliance activities.

MANAGEMENT AND EMPLOYEES

For the year ended 30 June 2017, the Trust employed seven Trustees, 187 full-time employees and the full-time equivalent of four part-time and 240 casual employees.

This compares to six Trustees, 172 full-time employees and the full-time equivalent of five part-time and 209 casual employees for the year ended 30 June 2016.

Organisation structure



Occupational health and safety

WORK HEALTH & 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.

WORK HEALTH & SAFETY PERFORMANCE

Over the past 12 months, the Trust has been successful in achieving strong results in relation to WH&S. MCEC's performance is consistent with the objectives of the Trust's WH&S Policy and reflects the ongoing efforts of management and employees to ensure that the venue continues to be a safe environment.

In the last 12 months, there were 104 reported injuries (employees 61, visitors 34 and contractors nine), the vast majority of which were minor. This represents an injury reduction of 15 per cent across all categories, relative to WH&S performance indicators. A total of 39 employee days were lost during the year due to injuries. There are four WorkCover claims ongoing. MCEC achieved the following results relative to WH&S performance indicators:

Target 1: Employees – 10 per cent reduction of employee injuries relative to hours worked

An average of 10.7 injuries per month per 100,000 hours worked in 2016/17, versus an average of 13.96 injuries per month per 100,000 hours worked in 2015/16 – a 20 per cent reduction.

Target 2: Public – 10 per cent reduction of public injuries relative to number of visitors

An average of 1.33 injuries per month per 100,000 visitors for 2016/17, versus an average of 1.56 injuries per month per 100,000 visitors for 2015/16 – a 14.7 per cent reduction.

Target 3: Contractors – 10 per cent reduction of contractor injuries

The total number of injuries for contractors in 2016/17 was nine, which is the same as 2015/16 (nine contractor injuries).

Target 4: Lost Time Injury Frequency Rate (LTIFR) <10 The LTIFR is 6.94

Target 5: Severity Rate <30

The severity rate is seven.

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 *Public Authorities (EEO) Act 1990*.

Other disclosures

VICTORIAN INDUSTRY PARTICIPATION POLICY (VIPP)

During the 2016/17 year, MCEC did not commence or complete any tendered contracts for which a VIPP Plan was required. MCEC continues to comply with requirements under the VIPP.

CONSULTANCY EXPENDITURE

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

In 2016/17, there were nine consultancies where the total fees payable to the consultants was \$10,000 or more. The total expenditure incurred during 2016/17 in relation to these consultancies was \$181,143 (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of Consultancy	Expenditure (\$'000)
ARUP	Hostile vehicle attack	19
ARUP	Retail storage redevelopment engineering	20
Briggs Communications Pty Ltd	Business continuity plan	11
City of Melbourne	Bridge assessment	15
Denton Corker Marshall	Organiser office architectural advice	18
Dimension Data Australia Pty Ltd	External network penetration testing	19
Huddle Australia Pty Ltd	Strategic planning	36
NH Architecture	Kitchen architectural advice	16
WSP Buildings Pty Ltd	Pastry preparation and cold room engineering services	27

Details of consultancies under \$10,000

In 2016/17, there were two consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2016/17 in relation to these consultancies was \$8,126 (excl. GST).

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the 2016/17 reporting period, the Trust had a total ICT expenditure of \$3.4 million (excl. GST) with the details shown below.

Business as Usual		Non Business as Usual	
ICT expenditure	ICT expenditure	Operational expenditure	Capital expenditure
\$'000	\$'000	\$'000	\$'000
3,037	335	270	65

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 2017, the Trust received two applications from the public. The Trust transferred one application to DEDJTR in accordance with the *Freedom of Information Act 1982* under Section 18(2)(b)(ii). The other application received is currently being processed awaiting a decision.

All requests for FOI access must be made in writing to the Melbourne Convention and Exhibition Centre 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 2004.

Further information on the Act may be obtained from www.foi.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 (2016/17).

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 & 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 (2016/17).

Statement 5: Responsibilities

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

BUILDING REGULATIONS

The Trust complies with the building and maintenance provisions of the *Building Act 1993*.

NATIONAL COMPETITION POLICY

The Trust recognises the requirements of the National Competition Policy, in relation to the pricing of product in accordance with competitive neutral pricing.

The Trust maintains a review process of its pricing structure having regard to the obligations outlined in the Competition Policy statement, with the aim of most appropriately achieving these obligations over the medium to long-term.

PROTECTED 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 *Protected Disclosure Act 2012*, the Trust has made available on its website www.mcec.com.au procedures for protecting people who make protected disclosures from detrimental action by the Trust or its employees.

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*:

- Reducing barriers to persons with a disability accessing goods, services and facilities.
- Reducing barriers to persons with a disability obtaining and maintaining employment.
- Promoting inclusion and participation in the community of persons with a disability.
- 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 these four outcome areas. In particular, for the year ending 30 June 2017, the Trust has implemented the following initiatives in relation to accessibility at MCEC:

- Website reviewed and accessible to W3C Web content Accessibility Guidelines 2.0 (annual)
- Website reviewed for currency of summarised Accessibility Services information (annual)
- Multiple seating configurations in refurbishment of Melbourne Exhibition Centre kiosks
- Melbourne Exhibition Centre Organiser Offices doors widened to meet DDA compliance to the minimum width of 900mm
- Installation of automatic sliding doors near MEC Café.
- Installation of multiple height and press button activation drinking fountains throughout the venue
- Incorporated accessibility awareness into employee Orientations Days (annual)
- People and Culture polices reviewed to ensure on-going inclusiveness
- MCEC is listed on the Companion Card website (annual)
- Employee engagement surveys to capture employee attitudes on inclusion and persons with disabilities.

CORPORATE PLAN

As required under the *Melbourne Convention and Exhibition Trust Act 1996*, the Trust has submitted to the Minister for Tourism 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

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*.

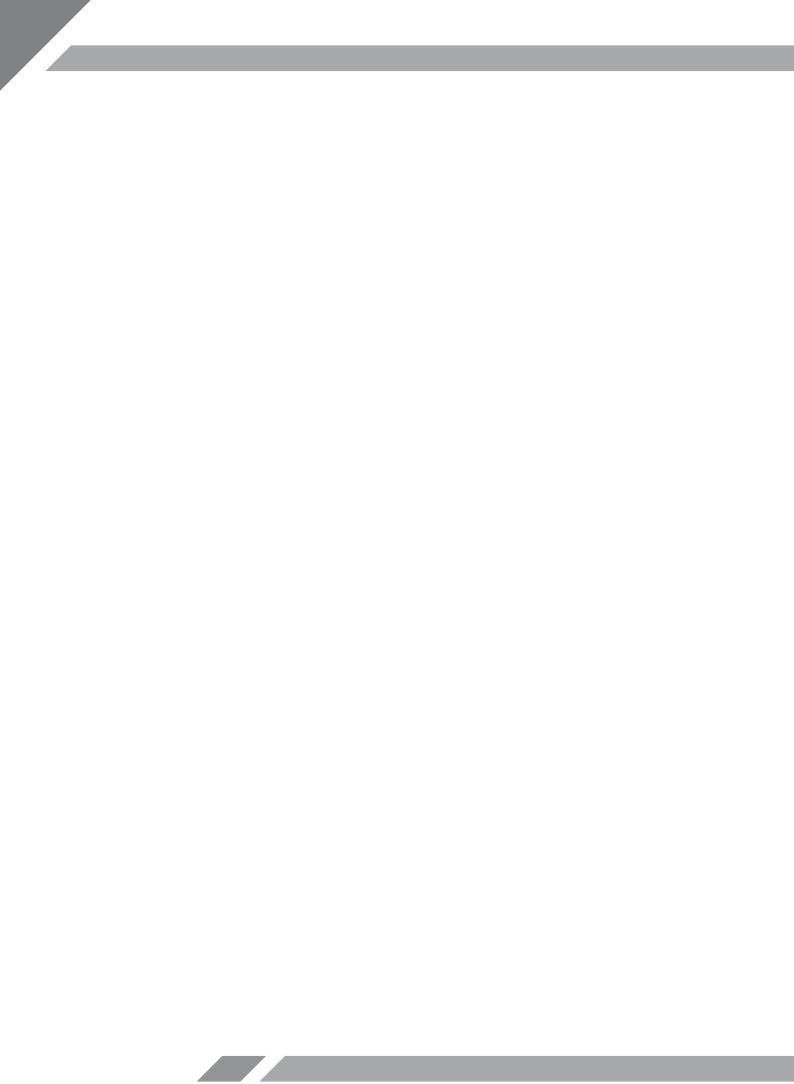
The information is available on request from: Melbourne Convention and Exhibition Trust Accountable Officer 03 9235 8000 enquiries@mcec.com.au

ATTESTATION FOR COMPLIANCE WITH MINISTERIAL STANDING DIRECTION 3.7.1

The Trust certifies that the Trust has complied with the Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes. The Risk Management Committee of the Trust ensures that the Trust complies with the Direction by monitoring and reviewing the activities undertaken by management to ensure the framework is consistent with the Direction and is being consistently applied.

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.



FOR THE YEAR ENDED 30 JUNE 2017

How this report is structured

The Melbourne Convention and Exhibition Trust has presented its audited general purpose financial statements for the financial year ended 30 June 2017 in the following structure to provide users with the information about the Trust's stewardship of resources entrusted to it.

FINANCIAL STATEMENTS DECLARATION	24
INDEPENDENT AUDITOR'S REPORT	25
COMPREHENSIVE OPERATING STATEMENT	27
BALANCE SHEET	28
CASH FLOW STATEMENT	29
STATEMENT OF CHANGES IN EQUITY	30
NOTES TO THE FINANCIAL STATEMENTS	31
1. ABOUT THIS REPORT	31
2. FUNDING DELIVERY OF OUR SERVICES	32
3. THE COST OF DELIVERING SERVICES	32
4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY	35
5. OTHER ASSETS & LIABILITIES	37
6. HOW WE FINANCED OUR OPERATIONS	41
7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS	44
8. OTHER DISCLOSURES	51
DISCLOSURE INDEX	60

Financial Statements Declaration

The attached financial statements for the Melbourne Convention and Exhibition Trust have been prepared in accordance with Standing Direction 5.2 of the Minister for Finance 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 2017 and financial position of the Trust at 30 June 2017.

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

We authorise the attached financial statements for issue on 23 August 2017.

The Hon. John Brumby AO Chairperson

Melbourne 23 August 2017

Sam Andersen Finance and Audit Sub-Committee Chair

Melbourne 23 August 2017

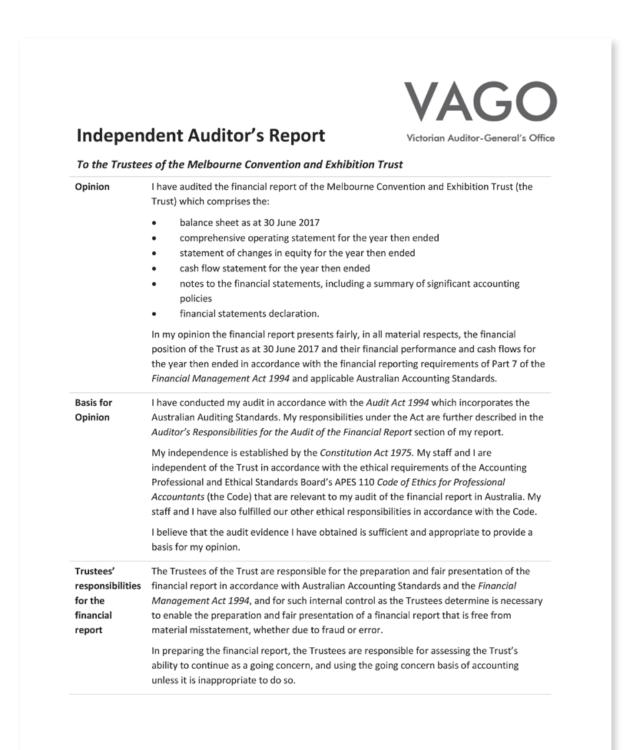
Peter King Chief Executive

Melbourne 23 August 2017

Geoffrey Stephens Chief Financial Officer

Melbourne 23 August 2017

Independent Auditor's Report



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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees
- conclude on the appropriateness of the Trustees' use of the going concern basis of
 accounting and, based on the audit evidence obtained, whether a material
 uncertainty exists related to events or conditions that may cast significant doubt on
 the Trust's ability to continue as a going concern. If I conclude that a material
 uncertainty exists, I am required to draw attention in my auditor's report to the
 related disclosures in the financial report or, if such disclosures are inadequate, to
 modify my opinion. My conclusions are based on the audit evidence obtained up to
 the date of my auditor's report. However, future events or conditions may cause the
 Trust to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Anna Higgs as delegate for the Auditor-General of Victoria

MELBOURNE 25 August 2017

2

Comprehensive Operating Statement

for the financial year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Continuing operations	_		
Income from transactions			
Sales of goods and services	2.1.1	81,514	78,388
Interest	2.1.2	837	988
Grants	2.1.3	5,365	5,234
Total income from transactions	_	87,716	84,610
Expenses from transactions			
Supplies and services	3.1.1	35,830	33,048
Employee expenses	3.1.2	36,419	32,604
Interest expense	6.1.2	10,467	10,393
Depreciation	4.1.2	18,917	20,767
Other operating expenses	3.1.5	485	652
Total expenses from transactions		102,118	97,464
NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		(14,402)	(12,854)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	8.2	(42)	(50)
Other gains/(losses) from other economic flows	8.2	143	(74)
Total other economic flows included in net result		101	(124)
NET RESULT		(14,301)	(12,978)
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.3	_	156,390
Total other economic flows – other comprehensive income		-	156,390
COMPREHENSIVE RESULT		(14,301)	143,412

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS CONTINUED

Balance Sheet

as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS	_		
Financial assets			
Cash and deposits	6.2	4,924	6,479
Investments and other financial assets	4.2	33,000	36,000
Receivables	5.1	6,380	4,406
Total financial assets	_	44,304	46,885
Non-financial assets			
Inventories	5.2	2,290	2,207
Property, plant and equipment	4.1	929,601	940,314
Other non-financial assets	5.3	28,707	26,688
Total non-financial assets	_	960,598	969,209
TOTAL ASSETS	_	1,004,902	1,016,094
LIABILITIES			
Payables	5.4	6,975	7,090
Borrowings	6.1	281,590	278,598
Provisions	3.1.3	3,780	3,568
Other liabilities	5.5	13,143	13,123
TOTAL LIABILITIES	_	305,488	302,379
NET ASSETS	_	699,414	713,715
EQUITY			
Accumulated surplus/(deficit)		(139,949)	(125,648)
Physical asset revaluation surplus	8.3	416,142	416,142
Contributed capital	_	423,221	423,221
NET WORTH	_	699,414	713,715

The accompanying notes form part of these financial statements.

28

Cash Flow Statement

for the financial year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from customers		87,772	87,260
Interest received		851	978
Total receipts		88,623	88,238
Payments			
Payments to suppliers and employees		(73,556)	(69,062)
Goods and Services Tax paid to the Australian Taxation Office		(4,664)	(4,649)
Total payments		(78,220)	(73,711)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	6.2.1	10,403	14,527
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of non-financial assets		(7,495)	(5,892)
Sales of non-financial assets		12	33
Transfers from / (to) investments	_	3,000	(1,000)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(4,483)	(6,859)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		_	(877)
Interest paid on borrowings		(7,475)	(10,467)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(7,475)	(11,344)
Net increase/(decrease) in cash and deposits		(1,555)	(3,676)
Cash and deposits at beginning of financial year		6,479	10,155
CASH AND DEPOSITS AT END OF FINANCIAL YEAR	6.2	4,924	6,479

The accompanying notes form part of these financial statements. Goods and Services Tax paid to the ATO is presented on a net basis.

Statement of Changes in Equity

for the financial year ended 30 June 2017

	Notes	Physical asset revaluation surplus \$'000	Accumulated deficit \$'000	Contributions by owner \$'000	Total \$'000
Balance at 1 July 2015		259,752	(112,670)	423,221	570,303
Net result for the year		_	(12,978)	_	(12,978)
Other comprehensive income for the year	8.3	156,390	_	_	156,390
Balance at 30 June 2016		416,142	(125,648)	423,221	713,715
Net result for the year		_	(14,301)	_	(14,301)
Other comprehensive income for the year	8.3	_	_	_	_
Balance at 30 June 2017		416,142	(139,949)	423,221	699,414

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.

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes.

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 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

	2017 \$'000	2016 \$'000
Rendering of services	51,010	48,325
Sales of goods	30,504	30,063
Total sales of goods and services	81,514	78,388

Income from the sale of goods and services is recognised upon delivery of the goods or services to the customer.

2.1.2 Interest income

	2017 \$'000	2016 \$'000
Interest on bank deposits	837	988
Total interest	837	988

Interest income includes interest received on bank accounts and term deposits. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

2.1.3 Grants

	2017 \$'000	2016 \$'000
Asset lifecycle replacement	5,365	5,234
Total grants	5,365	5,234

Grants for asset life cycle replacement are non-reciprocal and are recognised as income when the grant is received or receivable.

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

	2017	2016
	\$'000	\$'000
Purchase of supplies and services	23,562	22,876
Cost of goods sold	8,408	7,857
Maintenance	3,860	2,315
Total supplies and services	35,830	33,048

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

3.1.2 Employee expenses in the comprehensive operating statement

	2017 \$'000	2016 \$'000
Defined contribution superannuation expense	2,803	2,541
Salaries and wages, annual leave and long service leave	33,548	29,762
Termination benefits	68	301
Total employee expenses	36,419	32,604

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

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

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.

	2017 \$'000	2016 \$'000
Current provisions:		
Annual leave		
Unconditional and expected to be settled within 12 months	868	796
Unconditional and expected to be settled after 12 months	_	35
Long service leave		
Unconditional and expected to be settled within 12 months	79	59
Unconditional and expected to be settled after 12 months	1,362	1,121
Provisions for on-costs		
Unconditional and expected to settle within 12 months	142	128
Unconditional and expected to settle after 12 months	204	173
Total current provisions	2,655	2,312
Non-current provisions:		
Long service leave		
Employee benefits	978	1,092
On-costs	147	164
Total non-current provisions	1,125	1,256
Total provisions	3,780	3,568

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including 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:

	Paid contribution for the year		Contribution outstanding at year end	
Fund	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Host Plus Superannuation Fund	1,567	1,305	_	33
Australian Super	665	658	_	17
ASGARD Corporate Superannuation Fund	63	68	_	_
Others	564	493	_	_
Total	2,859	2,524	_	50

3.1.5 Other operating expenses

	2017 \$'000	2016 \$'000
Operating lease expenses	520	542
Bad debts from transactions	(35)	110
Total other operating expenses	485	652

Included in other operating expenses are:

• operating lease payments which are recognised on a straight line basis over the lease term; and

• bad debts 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 Total property plant & equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Land at fair value	297,770	297,770	_	_	297,770	297,770
Buildings at fair value	626,097	622,920	(16,373)	_	609,724	622,920
Plant and equipment at fair value	42,944	39,085	(31,833)	(29,376)	11,111	9,709
Work in progress at cost	7,317	6,183	_	_	7,317	6,183
Infrastructure at fair value	2,640	2,640	(53)	_	2,587	2,640
Cultural assets at fair value	1,092	1,092	_	_	1,092	1,092
Net carrying amount	977,860	969,690	(48,259)	(29,376)	929,601	940,314

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

	Land \$'000	Buildings \$'000	Plant & equipment \$'000	Work in progress \$'000	Infrastructure assets \$'000	Cultural assets \$'000	Total \$'000
Year ended 30 June 2017							
Opening balance	297,770	622,920	9,709	6,183	2,640	1,092	940,314
Additions	_	37	212	7,962	_	_	8,211
Transfers	_	3,140	3,688	(6,828)	_	_	_
Disposals	_	_	(7)	_	_	_	(7)
Revaluations	_	_	_	_	_	_	-
Depreciation	_	(16,373)	(2,491)	_	(53)	_	(18,917)
Closing balance	297,770	609,724	11,111	7,317	2,587	1,092	929,601
Year ended 30 June 2016							
Opening balance	245,625	537,724	10,144	2,608	_	1,083	797,184
Additions	_	68	73	7,375	_	_	7,516
Transfers	_	1,212	2,579	(3,800)	_	9	_
Disposals	_	_	(9)	_	_	_	(9)
Revaluations	52,145	101,605	_	_	2,640	_	156,390
Depreciation	_	(17,689)	(3,078)	_	_	_	(20,767)
Closing balance	297,770	622,920	9,709	6,183	2,640	1,092	940,314

Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon Government purpose classifications. All assets in a purpose group are further sub categorised according to the asset's 'nature', with each sub category being classified as a separate class of asset for financial reporting purposes. All of the Trust's property, plant and equipment are classified in the purpose group 'public safety and environment'.

All other details in relation to property plant and equipment are included at Note 7.3.

4.1.2 Depreciation

	2017 \$'000	2016 \$'000
Infrastructure	53	_
Buildings	16,373	17,689
Plant and equipment	2,491	3,078
Total depreciation	18,917	20,767

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

The 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
Infrastructure assets	50 years
Plant and equipment	2 – 30 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.

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 depreciated 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

	2017 \$'000	2016 \$'000
Current		
Term deposits	33,000	36,000
Total investments	33,000	36,000

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

4.2.1 Ageing analysis of investments and other financial assets

		Maturity date				
	Carrying amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	
30 June 2017						
Term deposits	33,000	_	_	33,000	_	
	33,000	_	_	33,000	_	
30 June 2016						
Term deposits	36,000	_	_	36,000	_	
	36,000	_	-	36,000	-	

5. Other assets & liabilities

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

5.1 Receivables

2017 \$'000	2016 \$'000
5,995	4,350
(16)	(63)
401	119
6,380	4,406
	\$'000 5,995 (16) 401

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

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. 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 venue in the ordinary course of business.

5.1.1 Movement in the provision for doubtful debts

	2017 \$'000	2016 \$'000
Balance at beginning of the year	(63)	(3)
Decrease in provision due to transfers out	47	1
Amounts written off during the year as uncollectable	16	2
Increase in provision recognised in the net result	(16)	(63)
Balance at end of the year	(16)	(63)

Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense.

5.1.2 Ageing analysis of contractual financial assets

	Carrying amount \$'000		Past due but not impaired			
		nt impaired	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
30 June 2017						
Receivables	6,380	3,769	1,921	453	237	_
	6,380	3,769	1,921	453	237	-
30 June 2016						
Receivables	4,406	3,420	760	183	(3)	46
	4,406	3,420	760	183	(3)	46

Receivables are carried at nominal amounts due. The average credit period on settling of monies owed is seven days. No interest is charged on receivables for outstanding balances.

5.2 Inventories

	2017 \$'000	2016 \$'000
Current		
Inventories at cost	624	493
Service equipment at cost	1,666	1,714
Total inventories	2,290	2,207

Inventories include goods held for consumption in the ordinary course of business operations. Inventories held for consumption are measured at cost.

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

5.3 Other non-financial assets

	2017	2016
	\$'000	\$'000
Current		
Prepayments	831	1,626
	831	1,626
Non-current		
Capital replacement receivable	27,876	25,062
	27,876	25,062
Total other non-financial assets	28,707	26,688

Other non-financial assets include:

• 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; and

• capital replacement receivable which recognises the asset life cycle replacement grant in accordance with an agreed schedule over the life of the project.

5.4 Payables

	2017 \$'000	2016 \$'000
Current		
Contractual		
Supplies and services	3,965	4,010
Amounts payable to government and agencies	1,165	1,387
Other payables	972	857
	6,102	6,254
Statutory		
FBT payable	98	82
GST payable	599	539
State Revenue Office - payroll tax payable	102	169
State Revenue Office – congestion levy payable	74	46
	873	836
Total payables	6,975	7,090

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.

5.4.1 Maturity analysis of contractual payables

			М	aturity dates	
	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000
30 June 2017					
Supplies and services	3,965	3,965	2,820	128	1,017
Amounts payable to government and agencies	1,165	1,165	1,165	_	_
Other payables	972	972	972	_	_
	6,102	6,102	4,957	128	1,017
30 June 2016					
Supplies and services	4,010	4,010	2,936	1,059	15
Amounts payable to government and agencies	1,387	1,387	1,387	_	_
Other payables	857	857	857	_	_
	6,254	6,254	5,180	1,059	15

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

5.5 Other liabilities

	2017 \$'000	2016 \$'000
Current		
Income received in advance	23	27
Deposits held against future bookings	13,120	13,096
Total other liabilities	13,143	13,123

Other liabilities include:

• deposits held against future bookings which represent funds held 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).

6.1 Borrowings

	2017	2016
	\$'000	\$'000
Current		
Loan from Government	5,173	10,895
	5,173	10,895
Non-current		
Loan from Government	276,417	267,703
	276,417	267,703
Total borrowings	281,590	278,598

Borrowings refer to interest bearing liabilities.

Borrowings are classified as financial instruments and are initially measured at fair value, being the cost of the borrowings, net of directly attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method.

The Convention Centre was financed in the form of a loan with the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) with a value of \$227.7 million together with a capital contribution of \$227.7 million. A Loan Agreement was executed between the Trust and DEDJTR for a 25 year term, 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) issued by DEDJTR was approved by the Trust. This agreement sets out arrangements relating to the expansion of the Melbourne Convention and Exhibition Centre. In particular, it deals with project implementation, the Trust's financial commitments to the project, and amendments to the Loan Agreement. The MOU varied the loan agreement as follows:

- i. the loan term is extended to 20 years from 1 July 2018 or completion of the Trust's expansion project, whichever is later;
- ii. the fixed interest rate for the entire term is 3.78% per annum;
- iii. Ioan repayments for the remainder of the term are as set out in the MOU; and
- iv. the Trust must annually assess its ability to make loan repayments in the forthcoming years. Should this assessment indicate the Trust is unable to make the loan repayments, the Trust may apply to the Secretary of DEDJTR for an alteration of the repayment schedule in the MOU.

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 2017							
Loan from DEDJTR	281,590	425,745	_	5,173	-	44,038	376,534
	281,590	425,745	_	5,173	-	44,038	376,534
30 June 2016							
Loan from DEDJTR	278,598	387,494	_	10,895	-	89,934	286,665
	278,598	387,494	-	10,895	-	89,934	286,665

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

	2017 \$'000	2016 \$'000
Interest on Government Ioan	10,467	10,393
Total interest expense	10,467	10,393

Interest expense represents costs incurred in connection with borrowings. Interest expense is recognised in the period in which it is incurred.

6.2 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.

	2017 \$'000	2016 \$'000
Cash on hand	81	51
Cash at bank	4,843	4,428
Term deposits		2,000
Balance as per cash flow statement	4,924	6,479

Due to the Trust's investment policy and funding arrangements, the Trust does not hold a large cash reserve in its bank accounts.

6.2.1 Reconciliation of cash and cash equivalents

	2017 \$'000	2016 \$'000
Net result for the period	(14,301)	(12,978)
Non-cash movements		
Depreciation of non-current assets	18,917	20,767
Write-back of service equipment	48	48
(Gain)/loss on sale or disposal of non-financial assets	(6)	2
Capital replacement receivable and lifecycle expenses	(3,388)	(4,562)
Movements included in investing and financing activities		
Interest on Government loan	10,467	10,393
Net change in assets and liabilities		
(Increase)/decrease in current receivables	(1,973)	794
(Increase)/decrease in current inventories	(131)	(121)
(Increase)/decrease in other current assets	795	6
(Decrease)/increase in current payables	(259)	(280)
(Decrease)/increase in current provisions	342	(143)
(Decrease)/increase in other current liabilities	23	330
(Decrease)/increase in non-current provisions	(131)	271
Net cash flows from/(used in) operating activities	10,403	14,527

6.3 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.

6.3.1 Total commitments payable

	Less than 1 year \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
Capital expenditure commitments payable	20,000	-	-	20,000
Operating lease commitments payable	497	507	_	1,004
Other commitments payable	_	16,374	90,575	106,949
Total commitments (inclusive of GST)	20,497	16,881	90,575	127,953
Less GST recoverable from Australian Tax Office				(11,632)
Total commitments (exclusive of GST)				116,321

Amounts disclosed in capital expenditure and other commitments relate to the financial commitments payable relating to the expansion of the Melbourne Convention and Exhibition Centre including the facility management costs as outlined in the Project Agreement.

Operating leases relate to plant and office equipment with lease terms of between one and five years. All operating lease contracts contain market review clauses in the event that the Trust exercises its option to review.

A lease is a right to use an asset for an agreed period of time in exchange for payment. The Trust is not a party to any finance leases. Operating lease payments are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term. The leased asset is not recognised in the balance sheet.

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 of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Trust's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Categories of financial instruments

- Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Trust recognises the following assets in this category:
 - cash and deposits
 - receivables (excluding statutory receivables); and
- term deposits.
- 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.

Impairment of financial assets

At the end of each reporting period, the Trust assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non-derivative financial instrument assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

Derecognition of financial liabilities

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

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

7.1.1 Categorisation of financial instruments

	Contractual financial assets – loans and receivables \$'000	Contractual financial liabilities – at amortised cost \$'000
2017		
Financial assets		
Cash and deposits	4,924	_
Investments and other financial assets	33,000	_
Receivables	6,380	_
	44,304	_
Financial liabilities		
Payables	_	6,102
Borrowings	_	281,590
		287,692
2016		
Financial assets		
Cash and deposits	6,479	_
Investments and other financial assets	36,000	_
Receivables	4,406	_
	46,885	
Financial liabilities		
Payables	_	6,254
Borrowings	_	278,598

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

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

284,852

_

(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 payment terms of seven days and sound debt collection policies and procedures.

The Trust does not engage in any hedging for its financial assets. The credit risk on liquid funds is limited because the Trust's policy is to only deal with Treasury Corporation of Victoria (AAA rating) and Australian financial institutions with a high credit rating.

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.

There has been no material change to the Trust's credit risk profile in 2016/17.

(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 operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution.

The Trust manages its liquidity risk by closely monitoring future cash flows to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets. The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events could be sourced from early liquidation of cash held on deposit if required.

(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 DEDJTR 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. Cash on term deposit is held with Treasury Corporation of Victoria.

7.1.2 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
2017					
Financial assets					
Cash and deposits	1.48	4,924	_	4,924	_
Investments	2.02	33,000	_	33,000	_
Receivables	_	6,380	_	_	6,380
		44,304	_	37,924	6,380
Financial liabilities					
Payables	_	6,102	_	_	6,102
Borrowings	3.78	281,590	281,590	_	_
		287,692	281,590	-	6,102
2016					
Financial assets					
Cash and deposits	2.14	6,479	_	6,479	_
Investments	2.31	36,000	_	36,000	_
Receivables	_	4,406	_	_	4,406
		46,885	_	42,479	4,406
Financial liabilities					
Payables	_	6,254	_	_	6,254
Borrowings	3.78	278,598	278,598	_	_
		284,852	278,598	_	6,254

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 (2016: \$0 million).

7.3 Fair value determination

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

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

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

t Lovel 1		
	Level 2 \$'000	Level 3 \$'000
) –	_	283,680
) –	14,090	-
) –	14,090	283,680
4 –	_	609,724
4 –	_	609,724
1 –	_	11,111
1 –	_	11,111
2 –	1,092	_
2 –	1,092	-
7 –	_	2,587
7 –	-	2,587
	30 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -	$\begin{array}{cccccccccccccccccccccccccccccccccccc$

			measurement at or ting period using	
	Carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Year ended 30 June 2016				
Land at fair value				
Specialised land	283,680	_	_	283,680
Non-specialised land	14,090	_	14,090	_
Total of land at fair value	297,770	-	14,090	283,680
Buildings at fair value				
Specialised buildings	622,920	_	_	622,920
Total of buildings at fair value	622,920	_	_	622,920
Plant and equipment at fair value				
Plant and equipment	9,709	_	_	9,709
Total of plant, equipment and vehicles at fair value	9,709	-	_	9,709
Cultural assets at fair value				
Artworks	1,092	_	1,092	_
Total of cultural assets at fair value	1,092	_	1,092	_
Infrastructure at fair value				
Bridge	2,640	_	_	2,640
Total of infrastructure assets at fair value	2,640	-	-	2,640

There have been no transfers between levels during the period.

There were no changes in valuation techniques throughout the period to 30 June 2017.

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 MCEC's land, buildings and infrastructure assets were performed by independent valuers for the 2016 financial year and conform to Australian Valuation Standards. The land valuation was performed by the Department of Environment, Land, Water and Planning and calculated based on the fair value using the market approach. A community service obligation (CSO) adjustment of 20% has been applied. The buildings and infrastructure assets were valued by Donald Cant Watts Corke and were assessed using a cost approach and are reported based on the depreciated replacement cost.

A fair value assessment was undertaken using the compounded impact of the Valuer-General Victoria indices for the year ended 30 June 2017. It was determined that the movement in fair values was less than 10% and as such a managerial revaluation was not required.

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. No revaluation was performed for artwork for the financial period ending at 30 June 2017.

The fair value of cultural assets was determined with reference to an independent valuation performed in December 2014 by Sophie Ullin (approved Valuer for the Australian Government's Cultural Gifts Program) based on resale value of the works.

Plant & 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 depreciated 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 2017				
Opening balance	9,709	622,920	283,680	2,640
Purchases (sales)	3,893	3,177	_	_
Transfers in (out) of level 3	_	_	_	_
Depreciation	(2,491)	(16,373)	_	(53)
Impairment loss	_	_	_	_
Subtotal	11,111	609,724	283,680	2,587
Revaluation	_	_	_	_
Closing balance	11,111	609,724	283,680	2,587
Year ended 30 June 2016				
Opening balance	10,144	537,724	_	_
Purchases (sales)	2,643	1,280	_	_
Transfers in (out) of level 3	_	_	237,300	_
Depreciation	(3,078)	(17,689)	_	_
Impairment loss	_	_	_	_
Subtotal	9,709	521,315	237,300	_
Revaluation	_	101,605	46,380	2,640
Closing balance	9,709	622,920	283,680	2,640

7.3.3 Description of significant unobservable inputs to level 3 valuations

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

	2017 \$'000	2016 \$'000
Forgiveness or waiver of debt	16	36
Total ex gratia expenses	16	36

Ex gratia expenses include bad debts greater than or equal to \$5,000 that have been written off.

8.2 Other economic flows included in net result

	2017 \$'000	2016 \$'000
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property plant and equipment	6	(2)
Write down of inventory	(48)	(48)
Total net gain/(loss) on non-financial assets	(42)	(50)
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from movement in long service leave liability	143	(74)
Total other gains/(losses) from other economic flows	143	(74)

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

	2017 \$'000	2016 \$'000
Balance at beginning of the year	416,142	259,752
Revaluation increments/(decrements)	_	156,390
Balance at end of the year	416,142	416,142

The physical assets revaluation surplus arises on the revaluation of land, buildings and infrastructure assets.

8.4 Responsible persons

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

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

The Hon. John Eren MP	1 July 2016 to 30 June 2017
Mr Robert Annells PSM	1 July 2016 to 30 June 2017
Ms Yvonne von Hartel AM	1 July 2016 to 30 June 2017
Ms Marie Jackson	1 July 2016 to 30 June 2017
Ms Sam Andersen	1 July 2016 to 30 June 2017
Mr Jonathan Metcalfe	1 July 2016 to 30 June 2017
Mr Matthew Mills	1 July 2016 to 30 June 2017
Ms Paula Benson	30 May 2017 to 30 June 2017
Mr Peter King	1 July 2016 to 30 June 2017
	Mr Robert Annells PSM Ms Yvonne von Hartel AM Ms Marie Jackson Ms Sam Andersen Mr Jonathan Metcalfe Mr Matthew Mills Ms Paula Benson

Remuneration received or receivable by responsible persons, excluding the Minister, in connection with the management of the Trust during the reporting period is shown below in the relevant bands:

	Total Rem	Total Remuneration	
	2017 No.	2016 No.	
Income band			
\$0 - \$9,999	1	_	
\$10,000 - \$10,999	_	1	
\$30,000 – \$39,999	5	5	
\$50,000 – \$59,999	1	1	
\$490,000 – \$499,999	_	1	
\$510,000 – \$519,999	1	_	
Total number	8	8	
Total amount (\$)	737,456	723,714	

The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

8.5 Remuneration of executives

The number of executive officers, 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.

	Total Remuneration	
Remuneration of executive officers	2017 \$'000	2016 ^(a) \$'000
Short-term employee benefits	2,116	_
Post-employment benefits	165	_
Other long-term benefits	50	_
Termination benefits	49	_
Total remuneration	2,380	_
Total number of executives	11	_
Total annualised employee equivalents ^(b)	9.13	_

(a) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015/16 reporting period.

(b) 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:

• Victorian Government entities booked and hosted events at MCEC, the table outlines entities that generated more than \$100,000 in revenue for the Trust.

Government Entity	\$
Department of Education and Training	1,211,751
Department of Economic Development, Jobs, Transport and Resources (DEDJTR)	361,209
Department of Premier and Cabinet	278,931
Victorian Multicultural Commission	216,729
Worksafe Victoria	152,628
Parks Victoria	125,625
Department of Health and Human Services	122,225
Melbourne Polytechnic	116,374
Total	2,585,472

There were 23 Victorian Government entities that hosted events or used the venue's services with revenue individually less than \$100,000. In aggregate, revenue from these transactions totalled \$564,133.

- At financial year end there was \$400,709 owing from Victorian Government entities as reported in Note 5.1 Receivables. This balance primarily relates to the Department of Education and Training (\$328,420), which held five events at MCEC in June 2017. The remaining balance (\$72,289) is owed by nine different entities.
- The Trust has received services from the following Victorian Government entities:

DEDJTR

Transactions with DEDJTR total \$4,269,517, these relate to:

- Event cleaning (\$2,994,052)
- Reviewable services (\$784,435) quarterly service payment for cleaning and security services per the MCCD Project Agreement
- State-initiated modifications (\$491,031) costs associated with an increase to the quarterly service payment due to the purchase and installation of infrastructure and equipment that has ongoing lifecycle and maintenance costs.

The total amount payable to DEDJTR at financial year end totalled \$1,118,463.

Victorian Managed Insurance Authority (VMIA)

Transactions with VMIA total \$276,213 and relate to the Trust's insurance policies. There was no amount payable at the end of the financial year.

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 which include:

- Chief Operating Officer, Leighton Wood
- Chief Financial Officer, Geoff Stephens
- Director of Customer Experience and Optimisation, Anne Jamieson
- Director of Strategy and Innovation, Michael Walsh
- Director of Corporate Services, Barbara Adams
- Director of People and Culture, Helen Fairclough

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives.

Compensation of KMP's	2017 \$'000
Short-term employee benefits	2,275
Post-employment benefits	154
Other long-term benefits	58
Total ^(a)	2,487
(a) The KMP's are also reported in the disclosure of remuneration of executives officers (Note 8.5)	

(a) The KMP's are also reported in the disclosure of remuneration of executives 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 \$1,762,355 to MCB (2016: \$1,749,771). MCB also transacted with the Trust \$24,637 (2016: \$45,465) for sponsorship and events held at the venue.

Governing Board – Marie Jackson

Marie Jackson is an Executive Director of Solterbeck Travel Pty Ltd a professional conference organiser, Solterbeck Travel has a client who rotates their annual conference through major convention centres within Australia. The 2017 conference was held at the Melbourne Convention and Exhibition Centre. This resulted in a spend of \$531,918 (2016: \$0.00) with the Trust.

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:

	2017 \$'000	2016 \$'000
Payable as at 30 June	47	46
Total	47	46

The Victorian Auditor-General's Office is not allowed to provide non-audit services.

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.

Foreign currency translation differences are recognised in other economic flows in the consolidated comprehensive operating statement and accumulated in a separate component of equity, in the period in which they arise.

8.9 Australian Accounting Standards that are not yet effective

As at 30 June 2017, 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 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier,	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant
	as opposed to the current approach that recognises impairment only when incurred.		impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not- for-Profit Entities	This Standard defers the mandatory effective date of AASB 15 for not-for- profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right- of-use assets and lease liabilities will cause net debt to increase.
			Rather than expensing the lease payments, depreciation of right-of- use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.
AASB 1058 Income of Not-for-Profit Entities	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

58

8.10 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 DEDJTR.

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 comprises:

- (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.

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

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'. Refer also 'net result'.

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.

Charter and purpose	Page
FRD 22H Manner of establishment and the relevant Minister	(
FRD 22H Purpose, functions, powers and duties	7
FRD 8D Departmental objectives, indicators and outputs	5
FRD 22H Key initiatives and projects	5
FRD 22H Nature and range of services provided	21
Management and structure	
FRD 22H Organisational structure	18
Financial and other information	
FRD10A Disclosure index	60
FRD22H Occupational health and safety policy	18
FRD22H Summary of the financial results for the year	12
FRD22H Significant changes in financial position during the year	12
FRD22H Major changes or factors affecting performance	12
FRD22H Application and operation of Freedom of Information Act 1982	20
FRD22H Compliance with building and maintenance provisions of Building Act 1993	20
FRD22H Statement on National Competition Policy	20
FRD22H Application and operation of the Protected Disclosure Act 2012	21
FRD22H Details of consultancies over \$10,000	19
FRD22H Details of consultancies under \$10,000	19
FRD22H Disclosure of ICT expenditure	19
FRD22H Statement of availability of other information	22
FRD25C Victorian Industry Participation Policy disclosures	19
Compliance attestation and declaration	
SD3.7.1 Attestation for compliance with Ministerial Standing Direction	21
SD5.2.3 Declaration in report of operations	2
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	33
SD5.2.1(a) Compliance with Ministerial Directions	33
Other disclosures as required by FRDs in notes to the financial statements	
FRD11A Disclosure of Ex gratia Expenses	53
FRD21C Disclosure of Responsible Persons, Executive Officers and other Personnel	52
FRD103G Non-Financial Physical Assets	35
FRD110A Cash Flow Statements	29
Legislation	
Freedom of Information Act 1982	20
Building Act 1993	20
Protected Disclosure Act 2012	21
Victorian industry Participation Policy Act 2003	19
Disability Act 2006	21

