

MELBOURNE  
CONVENTION  
EXHIBITION  
TRUST

# Annual Report 2023–2024

## Acknowledgement of Country

Built on the banks of the Birrarung (Yarra River), Melbourne Convention and Exhibition Centre (MCEC) Acknowledges the Traditional Owners of Narm, the Wurundjeri Woi Wurrung people of the Kulin Nation. We pay our respects to their Elders past and present, and to Elders of all First Nations communities that visit MCEC. We recognise the ongoing significance of the Birrarung to Traditional Owners as a life source and a meeting place for millennia and seek to honour this long-standing tradition of building community and exchanging ideas on these lands.

As we prepare to be the future operators of Nyaal Banyul Geelong Convention and Event Centre, we also Acknowledge the Traditional Owners of Djilang (Geelong), the Wadawurrung people of the Kulin Nation. We pay respects to their Elders past and present, and thank them for gifting the centre its name, returning language to Country. Upon opening, Nyaal Banyul, which means 'open your eyes to the hills' will encourage visitors to the centre to look deeply and appreciate the landscapes and history of Wadawurrung Country.

## Contents

<b>Chairperson's foreword</b>	<b>2</b>
<b>Report of operations</b>	<b>5</b>
History and background	5
Year in review	6
Purpose and functions	6
Objectives, indicators and outputs	7
Financial information summary	13
Current year financial review	13
<b>Governance and organisational structure</b>	<b>15</b>
MCET's Minister	15
Trustees	15
Trust information	17
Executive management	19
Occupational health and safety	21
<b>Other disclosures</b>	<b>22</b>
<b>Financial statements</b>	<b>32</b>
<b>Disclosure index</b>	<b>76</b>

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# Chairperson's foreword

In accordance with the *Financial Management Act 1994*, I am pleased to provide the Melbourne Convention and Exhibition Trust (MCET) Annual Report for the year ended 30 June 2024.

This report shares the combined activities of MCET in its operation of Melbourne Convention and Exhibition Centre (MCEC) and its preparation for the future operation of Nyaal Banyul Geelong Convention and Event Centre.

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

Currently in development and located on Western Beach Rd along the Geelong waterfront, Nyaal Banyul will open in 2026. The Western Beach cliffs have been a significant cultural and spiritual place for Traditional Owners. The future centre will see the return of events and community gatherings to this site, where the Wadawurrung people have gathered together for thousands of years.

2023-24 was our first full year of operation with a new Chief Executive, Natalie O'Brien AM leading the organisation. MCET began the year with a refreshed business strategy, introducing a revised business purpose, vision, mission and values. The strategy focused on building strong business foundations to ensure the long-term sustainability of MCEC and the establishment of Nyaal Banyul.

From 1 July 2023 to 30 June 2024, MCEC recorded revenue from the sales of goods and services of \$107 million. This was nine per cent above our budget and 20 per cent higher than our revenue recorded in 2022-23.

It's pleasing to see continued revenue growth year-on-year and reported revenue returning to pre-pandemic levels. However, inflationary cost pressures across the business, particularly in areas such as energy and utilities, have challenged our margins this year.

MCET's workforce numbers have stabilised due to strong recruitment efforts in the previous year. However, this presented a new challenge as 75 per cent of our workforce now has less than two years of experience. The most significant workforce change is that less than three per cent of employees have two to four years of experience, compared to over 20 per cent in the years before the pandemic. While these changes position the business well for the longer term, in the short term it has impacted our productivity

with efficiency suffering as a result.

These significant changes in workforce capability have also prompted a focus on training and development to build back expertise and confidence to deliver our pipeline of events.

Over the year, we experienced a healthy return across international, national and local events and proudly hosted 720 events at MCEC.

The events that occurred in 2023-24 included:

- 57 international meetings, conferences and exhibitions
- 130 national meetings, conferences and exhibitions
- 533 local meetings, conferences and exhibitions

The events held at MCEC attracted 967,769 delegates, with 383,877 visiting to attend an exhibition. 33 per cent more attendees visited MCEC than last year, to attend a concert or ticketed event, with 407,155 attendees visiting the centre for this purpose.

In total, we welcomed 3.2 million visitors to the venue, including members of the public visiting our cafes, facilities and experiences located at MCEC.

Significant events hosted during 2023-24 included:

- 2024 ASEAN-Australia Special Summit
- Lions International Convention
- BBC Earth Experience
- Australian Tourism Exchange (ATE) 2024
- Prime Minister's Olympic Dinner at THE LUME
- International Congress of Genetics 2023
- 26th International Union of Crystallography Congress (IUCr 2023)
- International Society for Extracellular Vesicles 2024 Annual Meeting
- O=MEGA23 in partnership with the 4th World Congress of Optometry (WCO4)
- SRS - Society of Robotic Surgery
- 80th Australian Orthopaedic Association (AOA) Annual Scientific Meeting 2023
- Global Entrepreneurship Congress 2023
- INSAR 2024
- Australian Information Security Association (AISA) National Conference 2023
- Australian Veterinary Association (AVA) Annual Conference 2024
- Herbalife India - 2023 Conference
- APPEX 2024
- Australian Water Association Ozwater '24 Conference and Expo
- Hort Connections 2024

- Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) Summit
- All Energy and Waste Australia Exhibition and Conference 2023
- Leader Associates Connecting Green Hydrogen APAC 2023 / Australia Wind Energy 2023
- Asia Pacific Incentives Meetings and Event (AIME) 2024
- THE LUME Melbourne
- Penny Arcade Expo (PAX) Australia 2023
- Cisco Live 2023
- Coles Group Limited – Coles Showcase 2023

These events alongside many more, generated \$777 million in economic impact for the State of Victoria. Beyond economic impact, the events hosted at MCEC promote dialogue on important issues, attract interest and investment in our region and can lead to breakthrough research or leading social policy. The collective impact of hosting these events contributes to Victoria's point of difference and leaves legacies for years to come.

MCET continued its partnership with the Melbourne Convention Bureau (MCB), attracting new international business to the City of Melbourne. In March, we proudly announced the 2025 Union des Foires Internationales (UFI) Asia Pacific Conference had been secured by MCEC with the support of MCB. This event will immediately follow the globally renowned Asia Pacific Incentives and Meetings Event (AIME), as one of three MCEC-hosted events that unify the global business events community within the same week.

MCET continued to manage the Club Melbourne Ambassador Program. The program harnesses 86 Melburnian thought leaders and experts to establish, secure and host national and international conferences at our venue. The continued success of this program and working relationship with MCB reinforces Melbourne's global reputation as a knowledge capital and city for world-class events.

In 2023-24, 14 Club Melbourne Ambassadors worked with MCB to secure 73 per cent of all future international conferences to be held at MCEC. Additionally, there are 13 Ambassador-linked bids currently in the pipeline for events in 2024-25 and beyond.

In December, MCEC was crowned Victorian Business Event Venue of the Year 2022-23 at the VTIC Victorian Tourism Awards. The rigorous award selection process recognised MCEC's business excellence, high-quality services and positive contribution to the tourism industry. Competing against iconic venues from across the state, the award confirmed our reputation as a leader in Australia's event sector.

Throughout the year, significant advancement was made towards the build and opening of Nyaal Banyul Geelong Convention and Event Centre.

In July, Plenary Conventions consortium was appointed to lead the Nyaal Banyul project as part of a Public Private Partnership and the first building renders were unveiled.

Following this, the Wadawurrung Traditional Owners gifted the future centre its name, Nyaal Banyul, meaning 'open your eyes to the hills'. This name was chosen to encourage people at the site to appreciate the landscapes of Wadawurrung Country which will be a focal point once the centre is built.

Finally, MCET introduced Nyaal Banyul's brand identity in February. Through engagement with the Wadawurrung Traditional Owners, the brand mark honours the gifted name and celebrates the site's cultural significance.

Continuing our industry-leading position in environmental and social impact, MCET released its first Impact Report reflecting progress made in 2022-23. Released in October, the report details milestones in sustainability, inclusion and diversity, community and economic impact and will measure our progress annually.

In recent years, we've seen a steady shift in expectations that prioritise environmental and social responsibility. To share our knowledge and encourage customers along their journey, we also launched our Positive Impact Guide. This is a collection of tools and resources that support event organisers to reduce their environmental footprint, give back to the community and create events that are accessible to everyone.

Continuing to make strides in sustainability, MCET realigned net zero targets to the Science Based Target initiative (SBTi), committing to halving our emissions by 2030 and achieving net zero emissions by 2050.

In support of our target to divert 90 per cent of waste from landfill, we continued to scale up our returnable coffee cup program and introduced 45 collection units to encourage cup return. In 2023-24, we served 894,000 people with reusable cups and removed disposable cups from all catered events.

Further supporting this goal, MCEC continued to partner with leading food rescue organisation, OzHarvest to save 9,041 kilogram of food from landfill. This provided the equivalent of 18,091 meals to those who would otherwise go hungry. Our on-site organics dehydrator also processed almost 55 tonnes of food waste, equivalent to powering 7,775 homes with green electricity for a day.

In 2023-24, MCEC was proud to provide more than \$2.3 million of in-kind sponsorship for community organisations. This included celebrating our 10th year hosting the Good Friday Appeal Kids Day Out and supporting the appeal to raise \$23 million for the Royal Children's Hospital in Melbourne.

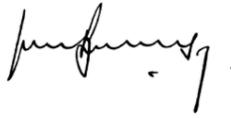
This year has allowed the organisation to reset

and refresh its priorities. I'd like to thank my fellow Trust members, the Executive and the whole MCEC team for their hard work and dedication this year.

I'd also like to thank the Minister for Tourism, Sport and Major Events Steve Dimopoulos MP, as well as our colleagues at the Department of Jobs, Skills, Industry and Regions who remain collaborative and supportive.

My sincere thanks and congratulations to Natalie O'Brien AM for her first year as Chief Executive and we all look forward to her continued success through 2024-25 and beyond.

While we've encountered some challenges, this year's results are encouraging and position the business well for the years ahead. I'm thoroughly excited for our future as a dual-venue operator as we progress towards opening our second venue in Geelong. I'm confident that our world-class team will continue to deliver event excellence and cement Victoria's position as the home of major events.



**The Hon John Brumby AO**  
Chairperson  
Melbourne Convention and Exhibition Trust

# Report of operations

## History and background

Melbourne Convention and Exhibition Trust (MCET) 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 MCET's responsibilities.

The *Melbourne Convention and Exhibition Trust Act 1996* was enacted on 5 February 1997, repealing the former Act and establishing MCET. The new Act permitted increased responsibilities for MCET 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 MCET in February 1997.

On 14 February 1997, MCET 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 MCET became both owner and venue manager of the Melbourne Convention Centre and the Melbourne Exhibition Centre.

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

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

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

MCET reports to the Minister for Tourism, Sport and Major Events, Steve Dimopoulos MP.

## Year in review

### Our purpose

Welcoming places for people to share ideas, build communities, and leave legacies.

### Our vision

The world's trusted partner for delivering impactful events.

### Venue brands

## Melbourne Convention and Exhibition Centre

Where the world's forward thinkers connect.

## Nyaal Banyul Geelong Convention and Event Centre

The place to gather and experience a new perspective.

## Strategic pillars

### Our people

Engage our people, provide clear objectives and create a rewarding environment to thrive.

### Our customers

Attract new customers and enhance the customer and visitor experience at every touchpoint.

### Our business

Increase venue use and uplift organisational productivity and efficiency to achieve financial sustainability.

### Our impact

Brand and position our venues and the state as the world's trusted partner for delivering impactful events.

## Purpose and functions

The *Melbourne Convention and Exhibition Trust Act 1996* specifies the functions of MCET 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 MCET's facilities.
- d. with the approval of the Minister, and for such a period as is approved by the Minister, the promotion, management, operation and use of:
  - i) the Royal Exhibition Building, and
  - ii) any part of the exhibition land that MCET reasonably requires in conjunction with the use of the Royal Exhibition Building, subject to any agreement or arrangement between MCET and the Museums Board of Victoria
- e. any other matter authorised by the Act.

## Objectives, indicators and outputs

Four strategic pillars have been established to ensure MCET delivers on its purpose, vision and mission.

These pillars guide business objectives to ensure the business delivers for its customers, visitors, stakeholders and employees.

### Strategic pillar one

#### Our people

MCET's workforce numbers have stabilised following solid recruitment efforts in the previous year. However, this has presented a new challenge as 75 per cent of our workforce now has less than two years of experience. The most significant workforce change is that 2.5 per cent of employees have two to four years of experience, compared to over 20 per cent in the years before the pandemic.

In response, we prioritised training and development to grow the capability and confidence of our team. For the second year, Mastery Month was delivered in January by the Organisational Development team. Over the month, 22 professional development programs covered a range of behavioural and technical skills, providing beneficial development opportunities to the operations team.

Recognising their integral role, 24 people leaders took part in this year's Inspire Leadership Program. The program curriculum supports the development of effective leadership skills through a series of practical modules and workshops. Additionally, three employees attended the Venue Management School, an opportunity to upskill and build on industry networks.

Across the board, divisions created bespoke training and development opportunities for their teams. The Technology team hosted a mock event, The Big Show, to put technicians through their paces and certified four technicians to Level Two through a six-month traineeship at RMIT University.

253 new employees attended MCEC's Welcome Program as part of their onboarding and we supported 16 casual team members to become permanent employees. With an array of internal movements available to support career growth, 91 employees took on new opportunities by transferring roles or being promoted internally.

For the first time, MCET recognised tenure of five years as part of the annual Service Awards.

This change was endorsed last year based on employee feedback and came into effect at the recognition ceremony in February. 45 employees were recognised for five years of service, 15 for over ten years, and four employees were recognised for 20 years of service or more.

MCET remains committed to delivering on our inclusion and diversity commitments. The key areas of focus in this strategy are our Gender Equality Action Plan (GEAP), Reconciliation Action Plan (RAP), and Accessibility Action Plan (AAP).

In March, we were pleased to share our gender pay gap results. In 2023, our average base salary gender pay gap was 5.1 per cent, a reduction from 6.4 per cent in 2021. Our 2023 average total remuneration gender pay gap was 5.9 per cent, a reduction from 7.8 per cent in 2021. These results far exceed Australia's average gender pay gap of 21.7 per cent, demonstrating our progress and commitment to closing the gap.

The development of MCET's first RAP is an ongoing priority and our first Reflect RAP will be completed in the next financial year. This includes re-establishing a RAP Working Group to support the plan's creation.

Work to create MCET's latest AAP progressed with an accessibility review which identified ways to enhance the accessibility standards of MCEC's building. This assessment alongside work with consultants and people with lived experience, has informed the development of our AAP which is expected to launch in early 2024-25.

MCET recognises its responsibility under Victorian Work Health and Safety legislation in conjunction with certification to ISO 45001:2018 Occupational Health and Safety Management Systems. We aim to incorporate practicable compliance to all aspects of related business activities.

In the last year, there were 107 reported employee injuries, the vast majority of which were minor. This achieved a lost time frequency injury rate (LTIFR) of 1.78, under our target of no more than six.

### Strategic pillar two

#### Our customers

In 2023-24, MCEC welcomed 3.2 million visitors to the centre, a notable increase of 23 per cent on last year's visitor numbers. This was driven by a healthy return across international, national and local events with increases seen across all categories.

Throughout the year, we strengthened our

reputation as a premier event venue and a welcoming place for events and people from around the world.

In March, MCEC was home to the 2024 ASEAN-Australia Special Summit hosted by the Hon. Anthony Albanese MP, Prime Minister of Australia. Making global headlines, the event invited world leaders from 11 Southeast Asian nations who attended MCEC over three days. An incredibly complex event to plan with meticulous security overlay, the ASEAN Summit showcased MCEC's impeccable event expertise to audiences across the globe.

We became the epicentre of the gaming world in October, hosting a series of exciting events during Melbourne International Games Week. This included Games Connect Asia Pacific and the anticipated return of Australia's biggest gaming festival, Penny Arcade Expo (PAX) for the eighth year.

10,500 Lions and Leos from 170 countries visited MCEC in June for the Lions International Convention. From the influx of delegates and increased hotel occupancy rates, it is estimated that the event delivered \$68 million in economic impact to the State of Victoria.

The largest Asia Pacific Incentive and Meetings Event (AIME) in a decade returned to MCEC in February. Over 4,000 people from our key trading partners in Asia Pacific attended the event, which was the first opportunity to exhibit Nyaal Banyul's striking new brand.

Following a refresh of our customer feedback program last year, we recorded our first full year of results in 2023. Achieving a Net Promoter Score of +55, we were proud to find that 93 per cent of our customers had their expectations met or exceeded and three out of five customers claimed their experience at MCEC was better than other venues. Looking ahead, these results have informed key areas that will be a core focus to creating an exceptional customer experience.

Creating a complete feedback loop, MCEC implemented a red flag alert system whereby customers can request a call back upon completion of their feedback survey. This results in contact from MCEC in under 24 hours and has led to improved customer satisfaction with most 'red flag' clients choosing to rebook their event at MCEC.

Enhancing customer and visitor touchpoints, MCEC launched a new website in August. A key driver of this was to create a central resource for event planning customers, with easy access to everything needed to successfully plan their event. This significant upgrade for customers puts MCEC's website functionality ahead of most convention centres in Australia and New Zealand.

One of the standout features of the new website is the introduction of 360-degree virtual tours, which allows visitors to digitally explore MCEC's state-of-the-art facilities ahead of visiting the venue. This unique feature paired with the broader website uplift has considerably improved the user experience and generated a total of 679,000 website visitors in 2023-24.

We refined our internal ways of working to improve customer support and enhance the experience with MCEC. Event Delivery Specialist roles were established to provide comprehensive oversight of the event delivery process, resulting in improved support for customers during pre-planning and on the day delivery.

Additionally, specialist squads were created for the delivery of more complex events, like the ASEAN Special Summit, Lions International Convention and CISCO Live. These dedicated groups enabled greater consistency for customers and ensured teams were well supported with unusual requirements and escalations.

We continued to enhance the customer experience through our food, beverage and technology offerings.

In March, we announced our partnership with two leading Victorian beverage companies, Padre Coffee and Vanguard Luxury Brands, best known for their award-winning brand, Four Pillars Gin. Both Padre and Vanguard are renowned for their exceptional quality products and are available for customers and visitors to enjoy at MCEC's on-site cafés or at their next event.

Inclusivity and sustainability remain a priority for MCEC's culinary teams. Launched in January, the new menus use local produce and highlight the spectacular native flavours of Australia. The purposefully designed menu has removed many common allergens, meaning delegates with all dietary needs can enjoy delicious food that doesn't exclude or compromise on flavour.

Finally, significant investment was made in technology upgrades at MCEC. Plenary theatre received a major overhaul with the installation of two ultra-modern LED screens, capable of doubling in size to create a more immersive and visually captivating experience for visitors.

In addition, MCEC installed new AMX control panels in all meeting rooms, offering improved functionality and a superior user experience for customers hosting their events in our spaces.

## Strategic pillar three

### Our business

In December, MCEC was crowned Victorian Business Event Venue of the Year 2022-23 at the VTIC Victorian Tourism Awards. The rigorous award selection process recognised MCEC's business excellence, high-quality services and positive contribution to the tourism industry. Competing against iconic venues from across the State, the award confirmed our reputation as a leader in Australia's event sector.

In addition, MCEC achieved Sustainable Tourism Accreditation in June. This accreditation is the Australian tourism industry's largest and longest-running sustainability program, taking a holistic view of sustainability across environmental, cultural, social and commercial business practices. Achieving this demonstrates our ability to deliver high-quality, memorable experiences that exceed expectations while incorporating industry-leading sustainable practices.

MCET continued to refine business operations by finding efficiencies that improve event delivery margins and overall profitability. This included enhancing our financial management practices in areas such as cross-functional forecasting to allow for better review of our event pipeline and greater visibility of future performance.

MCET endeavours to embed sustainable and social procurement practices throughout our entire supply chain.

In 2023-24, we implemented a strategic approach to procurement work, through competitive market tendering and more strategic, robust supplier relationships. This approach ensures both cost and value benefits for all parties involved. Sustainability and social procurement became mandatory weighted and assessed criteria in tender applications and this approach was included in 14 go-to-market tenders including the selection of our new coffee supplier.

Improving the rostering process was a priority area for exploration in 2023-24. Prompted by strong employee feedback, a Rostering Discovery group was created to investigate procedures and behaviours and provide recommendations back to the Leadership Team. This work will continue in 2024-25.

To ensure better insight into MCEC's managed assets, an extensive body of work was conducted to data cleanse our Asset Register alongside a review of end-of-life assets and criticality grading. This was to enable timely identification of critical assets requiring capital investment, to better inform budgeting and planning processes. Additionally, this allows for strategic capital

allocation and asset acquisition to mitigate potential risks in the event of asset malfunction or failure.

We also introduced an improved project management and procurement framework, to enhance the planning, delivery and governance of capital works activity. This ensures we invest in alignment with our business strategy and in projects with a clear return on investment for the organisation.

MCET continues to deliver value to the Victorian economy through the management of the Club Melbourne Ambassador Program. Club Melbourne, managed by MCEC, works together with the Melbourne Convention Bureau (MCB) to attract priority events to Melbourne.

During 2023-24, 14 Club Melbourne Ambassadors worked to secure 73 per cent of all future international conferences to be held at MCEC. Additionally, there are 13 Ambassador-linked bids currently in the pipeline for events in 2024-25 and beyond.

A core focus of the program is to engage and recruit new Ambassadors, this year growing the cohort to 86 prominent thought leaders and experts. In 2023-24, three new ambassadors were recruited to support business priority fields in the energy and medical sectors.

In 2023-24, significant advancement was made towards the build and opening of Nyaal Banyul Geelong Convention and Event Centre. In July, Plenary Conventions consortium was appointed to lead the Nyaal Banyul project as part of a Public Private Partnership and the first building renders were unveiled. The consortium comprises Plenary Group as sponsor and investor, Built as builder, Woods Bagot as architect and BGIS as services contractor.

Following this, the Wadawurrung Traditional Owners gifted the future centre its name, Nyaal Banyul, meaning 'open your eyes to the hills'. The name is made up of two Wadawurrung words, *Nyaal*, meaning to open your eyes, and *Banyul*, meaning hill. Nyaal Banyul was chosen to encourage people at the site to appreciate the landscapes of Wadawurrung Country which will be a focal point once the centre is built.

Preliminary works on Nyaal Banyul began in July and have established a gold standard for social procurement in Government-led projects. The GCEC Early Engagement Social Procurement (GEESP) program was designed as a partnership between Development Victoria and social enterprise, Give Where You Live. Delivered by Built as the head building contractor, GEESP has employed 28 trainees and apprentices to the centre build, who have experienced barriers to employment. They'll receive 12 weeks of fully

funded training, counting towards a Certificate II in Construction Pathways through Gordon TAFE.

Nurturing stakeholder relationships is fundamental to ensuring the future centre is an integrated part of the local community. In November, MCET hosted an event at Deakin University Waterfront Campus for key Geelong stakeholders, inviting them to meet with the centre's operators and discuss opportunities for collaboration.

MCET introduced Nyaal Banyul's venue brand identity in February. The brand honours the gifted name and celebrates the site's cultural significance. Through engagement with the Wadawurrung during the brand development process, we've continued to set the tone for ongoing collaboration and integration of First Nations storytelling throughout the future centre.

MCEC's partnership with Grande Experiences continued with the fourth installation at THE LUME Melbourne launched in March. Leonardo Da Vinci – 500 Years of Genius brought the Italian Renaissance to MCEC, featuring original pages from da Vinci's notebook and new interactive experiences for visitors.

MCEC became home to the BBC Earth Experience in October, demonstrating further opportunity to diversify revenue beyond traditional events. Over a six-month tenancy, this was the only place to view the immersive exhibition outside its original home in London. With a core focus on sustainability and narrated by Sir David Attenborough, the event drew 500,000 local and international visitors, educating them on the importance of protecting our planet.

## Strategic pillar four

### Our impact

In 2023-24, MCET contributed \$777 million in economic impact to the Victorian economy. While an excellent result, it is down 3.6 per cent on last year due to a reduction in international attendees, likely a result of the broader economic climate.

Highlighting our industry-leading position in environmental and social impact, MCET released its first Impact Report reflecting progress made in 2022-23. Released in October, the report details milestones in the areas of sustainability, inclusion and diversity, community and economic impact, and measures progress annually.

In recent years, we've seen a steady shift in expectations that prioritise environmental and social responsibility. To share our knowledge and encourage customers along their journey, we launched our Positive Impact Guide.

The guide is a collection of tools and resources that support event organisers to reduce their environmental footprint, give back to the community and create events that are accessible to everyone. Since its initial launch in August, the guide offering has expanded to include a First Nations cultural guide and increased accessibility options through Travellers Aid and Alkira Disability Services.

The additional accessibility options received excellent uptake since being included in May. Travellers Aid attended MCEC in May for the Australian Disability Network's IMPACT Conference, providing mobility services to over 55 people during the event. In addition, MCEC's team worked with event organisers to provide sensory options for delegates, creating more comfortable and inclusive interactions at the event.

As well as promoting services through the Positive Impact Guide, we partnered with accessibility organisation Alkira to facilitate valuable and enriching work placement programs for four people living with disability since late 2023.

MCEC has also advanced the development of a Changing Places Facility in consultation with members of the community who will use the amenity. Funding is being secured to deliver this by December 2024.

In collaboration with the State and Plenary Group, MCET has provided input into the design and planning for Nyaal Banyul. This will ensure the new building includes important accessibility features such as integrated ramping, above-standard universal access seating options in the theatre space, hearing augmentation loops, high contrast signage for the visually impaired, accessible sliding doors, a Changing Places facility and more.

Continuing to make strides in sustainability and as part of our Net Zero Carbon Events pledge, MCEC developed our first carbon account for Scope 1, 2 and 3 emissions to accurately measure our carbon footprint. We also aligned our net zero targets to the Science Based Target initiative (SBTi), committing to halving our emissions by 2030 and achieving net zero emissions by 2050. This will inform a review of our sustainability strategy targets.

We continued to scale up our returnable coffee cup program and introduced 45 collection units (Drop Pods) to encourage cup return. In 2023-24, we served 894,000 people with reusable cups and removed disposable cups from all catered events.

In support of our target to divert 90 per cent of waste from landfill, MCEC introduced a container deposit scheme for eligible 10c containers under new Victorian legislation. A total of 48,459 bottles and cans have been recycled through the scheme since trials first started in November. We also

conducted an independent venue-wide audit of 944 kilograms of waste, which had a waste diversion from landfill rate of 83 per cent.

In 2023-24, our on-site organics dehydrator processed almost 55 tonnes of food waste. This is equivalent to 107 tonnes of greenhouse gas reduction or powering 7,775 homes with green electricity for a day.

MCET's community partnerships program is one avenue through which we support the Victorian community. In 2023-24, we supported social and environmental causes with a total in-kind contribution of \$2,372,471.

The Good Friday Appeal Kids Day Out returned in March, marking a decade since the event first came to MCEC. The appeal raised over \$23 million for the Royal Children's Hospital (RCH) and for the first time, paediatric services in regional Victoria.

To celebrate the long-standing partnership, our award-winning pastry chef, Alessandro Bartesaghi hosted an egg decorating masterclass for ten lucky RCH ambassadors and their families. At the Kids Day Out, MCEC's kitchen team sold over 900 homemade ice-creams and 300 cupcakes in celebration of the milestone. The business donated more than \$1.7 million of in-kind support that included waived venue hire, technology, resources, catering and event support.

Through our partnership with leading food rescue organisation, OzHarvest, we rescued 9,041 kilograms of food from landfill in 2023-24. This is the equivalent of 18,091 meals provided to those who would otherwise go hungry. Part of our partnership also includes the provision of a commercial kitchen for OzHarvest's popular class, Cooking for a Cause. In the last year, 20 classes used 5,580 kilograms of rescued food, making 2,790 meals for redistribution. In addition, employees and centre visitors donated a further \$28,519 towards vulnerable Victorians thanks to workplace giving and fundraising efforts for OzHarvest.

MCET also encourages employees to get involved with community organisations through workplace giving and volunteering hosted by our partners. In 2023-24, employees donated over \$16,500 to our four workplace giving partners, Launch Housing, OzHarvest, Starlight and the Yarra Riverkeeper Association (YRKA). This was an increase of 297 per cent in workplace giving donations compared to the previous year and can be attributed to regular communication campaigns that promoted the initiative internally.

29 employees volunteered their time throughout the year. This ranged from helping OzHarvest collect and deliver food from organisations across Melbourne to volunteering at the Good Friday Appeal Kids Day Out. Seven employees braved the cold winter weather to clean up the Yarra

River in June, supporting YRKA in collecting 30.4 kilograms of rubbish along the river promenade.

MCET also partners with Skyfarm, an urban rooftop garden housed on top of MCEC's Siddeley Street car park. This year, 434 kilograms of fresh produce was harvested from the garden and donated to OzHarvest for redistribution. Our talented chefs also collaborated with Skyfarm to curate a sustainable menu for the 35th annual Banksia Awards. Executive Sous Chef, Karl Edmonds, took inspiration from the rooftop garden and developed a menu celebrating the neighbouring fresh produce.

As part of our active role within the industry, MCET participates in several industry committees and membership organisations including:

- Australian Business Events Association (ABEA)
- International Congress and Convention Association (ICCA)
- Venue Management Association (VMA)
- Melbourne Convention Bureau (MCB)
- Victoria Tourism Industry Council (VTIC)
- Victorian Chamber of Commerce and Industry (VCCI)
- International Association of Convention Centres (AIPC)

MCET leverages these industry relationships to deepen networks and enhance our industry-leading reputation. In 2023-24, this included 11 speaking opportunities in front of member organisations, demonstrating thought leadership in areas such as sustainability and accessibility and sharing expertise with the sector.

## Financial information summary

### Five year financial summary

The following table summarises the financial results of MCET for each year ended 30 June.

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Sale of good and services	107,004	88,980	38,886	11,569	78,964
Grants and other income	4,102	30,229	182,367	81,411	17,499
<b>Revenue and income from transactions</b>	<b>111,106</b>	<b>119,209</b>	<b>221,253</b>	<b>92,980</b>	<b>96,463</b>
Expenses from transactions	155,512	151,227	130,156	108,003	129,793
Net result from transactions	(44,406)	(32,018)	91,097	(15,023)	(33,330)
Net result for the period	(44,792)	(32,604)	91,276	(14,794)	(33,272)
Net cash flow from operating activities	(5,393)	16,463	28,734	21,035	3,929
Total assets	1,015,625	1,040,636	1,065,636	1,108,348	1,253,146
Total liabilities	202,275	197,245	189,641	323,629	322,643

### Current year financial review

#### Revenue

The total revenue from sales of goods and services is \$107 million. This compares to a sales revenue of \$89 million last year. The revenue demonstrates a positive outcome off the back of difficulties associated with successive COVID-19 lockdowns and anticipated recovery for business.

Included in grants income is an amount of \$2.2 million (2023: \$1.6 million) which represents the grant from Department of Jobs, Skills, Industry and Regions (DJSIR) for the replacement of assets over the life of the Convention and Exhibition Centre.

#### Expenses

Total expenses from transactions, as defined in the financial statements, totalled \$155.5 million (2023: \$151.2 million).

Purchases of supplies and services have reduced by \$1.2 million. Included within supplies and services are cost of goods sold totalling \$11.7 million (2023: \$10.5 million), an 11 per cent increase on the prior year. This increase can be attributed to the increase in operating revenue resulting from continued operational recovery from the impact of COVID-19 and the higher inflationary conditions.

Employee benefit expenses have increased by \$3.31 million on the prior year mainly because of increased event activities throughout the year.

The interest expense of \$1.8 million (2023: \$1.8 million) relates to the interest charged on the advances with DJSIR which partly funded the Convention Centre asset, and interest on leased equipment.

Depreciation expense of \$39.5 million (2023: \$41.0 million) has reduced from the prior year due to assets having fully depreciated to the end of their useful lives. The depreciation from 1 July 2023 is calculated on a straight-line method based on the remaining useful life.

## Balance sheet

The balance sheet of MCET as at 30 June 2024 reports net assets of \$813.4 million (2023: \$843.4 million).

### Assets

Cash and deposits have reduced by \$5.3 million which is explained by cash outflows from operating activities.

Property, plant and equipment has decreased by \$23.2 million, being explained by depreciation expenses for the financial year partially offset by fair value adjustments.

### Liabilities

The interest bearing liability of \$159.9 million (2023: \$158.0 million) represents the value of the advances with DJSIR inclusive of accrued interest and lease liabilities relating to AASB 16 Leases.

Contract liabilities of \$25.9 million (2023: \$20.2 million) mainly comprises deposits held against future bookings which represent funds held on behalf of customers until the completion of an event.

## Cash flow statement

The cash flow statement reports a decrease of \$5.3 million in cash held (2023: increase \$13.5 million). Total cash holdings as at 30 June 2024 are \$39.4 million (2023: \$44.7 million).

Cash outflows from operating activities were \$5.4 million for the year (2023: inflows \$16.5 million). No grants were received from DJSIR during the year to assist with operational activities comparing to \$28.9 million (inclusive of GST) received in 2023.

Cash flows used in investing activities reflect expenditure on capital improvements. Purchases of non-financial assets totalled \$1.8 million (2023: \$2.9 million).

## Statement of changes in equity

The statement of changes in equity records a net decrease in total equity from \$843.4 million to \$813.4 million. The movement in this statement reflects the current year's operating result.

## Governance and organisational structure

### Powers and duties

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

### MCET's Minister

Steve Dimopoulos MP is the Victorian Minister for Tourism, Sport and Major Events, a position he has held since July 2022.

The Minister has portfolio responsibility for MCET, including ensuring that proper accountabilities and controls are established and maintained. The *Public Administration Act 2004*, *Financial Management Act 1994* and the *Melbourne Convention and Exhibition Trust Act 1996* outline the role and powers of the Minister.

The Minister works with the Department of Jobs, Skills, Industry and Regions (DJSIR) in performing these ministerial functions.

For 2023-24, the Melbourne Convention and Exhibition Trust kept the Minister and the Department appropriately informed of progress and developments in accordance with agreed communications protocols.

## Trustees

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

### The Hon. John Brumby AO Chair

The Hon. John Brumby AO joined MCET in August 2017 and was reappointed as Chairperson of MCET on 2 July 2023 for a further two years. Mr Brumby is the Chancellor of La Trobe University and a Professor (Honorary) in the Faculty of Business and Economics at the University of Melbourne. He is well known for his roles as the former Treasurer (2000 to 2007) and former Premier of Victoria (2007 to 2010), as well as being appointed Victoria's first ever Minister for Innovation.

Since retiring from politics in 2010, Mr. Brumby has taken on a number of roles in the not-for-profit and business sectors, including Chair of the Melbourne Convention and Exhibition Trust, Citywide Service Solutions Pty Ltd and the In2science Advisory Board. In 2021, Mr Brumby was appointed as the inaugural Chair of the Victorian Government's new Breakthrough Victoria Fund.

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

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

### Ms Diana Taylor AM Trustee

Ms Taylor joined MCET in July 2018 and was reappointed to MCET on 1 July 2024 for a further three years. Based in Geelong, Ms Taylor initially completed a law degree at Deakin University, worked in some of Australia's largest law firms and businesses and was the inaugural general counsel for Netball Australia before establishing her own law firm, Diana Taylor Legal Consulting.

Ms Taylor is a trailblazer and pioneer in the world of Australian Rules football, becoming the first female president of a men's AFL metropolitan league, the Western Region Football League, the first woman appointed to the VFL Tribunal, Director of the Geelong Football Club in 2010, and

in 2019, Ms Taylor became the Club's first female Vice President in its 165-year history.

In the 2024 Australia Day Honours, Ms Taylor became a recipient of the Member of the Order of Australia for her significant service to Australian Rules football and the community of Geelong. She is also a winner of Victoria's Telstra Business Women's Awards (Corporate & Private category).

Ms Taylor is an experienced board chair and director and has served on a number of boards including Public Skills Australia, the Geelong Authority, GOTAFE, AFLW Competition Committee and Anam Cara House Geelong.

### Mr Michael Burn Trustee

Mr Michael Burn joined MCET in July 2019 and was reappointed to MCET in July 2022 for a further three years. He has a strong background in finance having spent over thirty years in investment banking. Mr Burn is currently Deputy Chairman at Flagstaff Partners, a leading boutique, corporate finance advisory firm. Mr Burn is also a Director at PFD Food Services, a leading national food wholesale and distribution company, and a Director of the St. Vincent's Institute of Medical Research.

### Mr Charles Donnelly Trustee

Mr Charles Donnelly joined MCET in June 2020 and was reappointed to MCET in June 2023. Mr Donnelly began his career with the NUW in 1987 and progressed to leadership roles at state, national and international levels. He has board level experience across superannuation, insurance, marketing, and skills training organisations.

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

### Mr Peter Jones AM Trustee

Mr Peter Jones was appointed to MCET in September 2022. As MD and founder of Peter Jones Special Events, he has more than 30 years of experience in delivering major events across Australia.

Having served on the boards of Destination Melbourne, Victorian Tourism Industry Council and Tourism Australia's Business Events Advisory Council, Mr Jones was also Chairman of the International Special Events Society and the Victorian Events Industry Council. Peter is a member of the Northern Territory Major Events Company Board since August 2023.

Mr Jones is a member of the Australian Institute of Company Directors. In 2018, he was recognised as a member in the general division of the Order of Australia for significant service to the tourism, NFP and hospitality sectors, especially in event management.

### Ms Virginia Lovett Trustee

Ms Virginia Lovett was appointed to MCET in September 2022. She is the inaugural Director of Performing Arts at the University of Melbourne. Prior to this she was the Executive Director and Co-CEO of the Melbourne Theatre Company and Executive Director of the Melbourne International Comedy Festival. A highly experienced and well-respected cultural leader, Ms Lovett successfully designed a range of strategic initiatives through her roles at Melbourne International Comedy Festival, Sydney Festival, Zoos Victoria, Sydney's Powerhouse Museum, the Art Gallery of New South Wales, Sydney Theatre Company and the National Gallery of Victoria. She has also worked as an advisor for State Ministers in Victoria and New South Wales.

In 2006 she was awarded a Churchill Fellowship and is a graduate of the Museum Leadership program. Ms Lovett is currently the President of Arts Project Australia, an Executive Council member of Live Performance Australia and Board Director at Belvoir St Theatre. She has held the following positions: Chair for Arena Theatre, Chair LPA's Theatre Panel for Live Performance Australia and inaugural Chair of Force Majeure, as well as serving on the boards of the City of Melbourne's Night-time Economy Advisory panel, Committee for Melbourne, Craft Victoria and Legs on the Wall. She has been a mentor for the Australia Council Emerging Leaders Course, Teach for Australia and the Council for Museum Directors.

### Ms Sujata Stead Trustee

Ms Sujata Stead was appointed to MCET in April 2023. She is the CEO of Janison, an education technology pioneer who have been supporting organisations globally for over 20 years to improve how we educate and learn. Its list of blue-chip clients include the OECD, University of Cambridge Press and Assessment, and the Department of Education New South Wales.

Ms Stead has over 20 years' experience in growth and transformation leadership in the global education and assessment sector. Prior to joining Janison, Ms Stead was the founding CEO of Cambridge Boxhill Language Assessment (CBLA), the Melbourne-based organisation that develops and manages the Occupational English Test (OET). Under Ms Stead's leadership, OET created the market and became the leaders in language assessment for global mobility of healthcare professionals, with the business experiencing over 1500 per cent growth during this period.

She has an MSc in International Business from the University of London, Birkbeck College and MA (Cantab) from Cambridge University. Ms Stead lived and worked in the UK and India before moving to Australia. She loves travelling, cooking, and spending time with her young family.

## Trust information

### Trust meetings

A total of 10 Trust meetings were conducted during the year ended 30 June 2024.

	Eligible to attend	Attended
The Hon. John Brumby AO	10	10
Ms Diana Taylor AM	10	9
Mr Michael Burn	10	9
Mr Charles Donnelly	10	8
Mr Peter Jones AM	10	10
Ms Virginia Lovett	10	10
Ms Sujata Stead	10	8

## Sub-committees

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

### People and Culture Sub-Committee

Mr Charles Donnelly (Chair)  
Mr Peter Jones AM  
Ms Diana Taylor AM  
Ms Sujata Stead

To assist the Committee with their duties, two consultants were selected to attend Committee meetings and provide input:

Ms Pamela Anderson  
Mr Chris Edwards

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

- Ensuring alignment between business strategies and People and Culture strategies.
- Overseeing and providing counsel on employee engagement, employment policies and employee communication.
- Overseeing talent acquisition strategy including talent sourcing strategy and methodologies.
- Responsibility for the performance management strategy including outcomes and insights relating to the performance management process and review of policies relating to succession planning, leadership and career development.
- Ensuring that MCET's remuneration and incentive policies, practices and performance indicators are legally compliant, attract, engage and motivate all employees including leadership, and align to MCET's vision and business objectives.
- Providing recommendations for health and well-being strategies and ensuring employees are provided with a healthy working environment.
- Responsibility for the People Framework relating to significant organisational structure and operating model design and workforce planning strategy.
- Providing insight and guidance into policy changes relating to terms and conditions of employment and legislation changes.
- Providing oversight into strategy and process that ensures good governance and management of workplace and industrial relations.

**Risk Sub-Committee**

Ms Diana Taylor AM (Chair)  
Mr Michael Burn  
Ms Virginia Lovett  
Mr Peter Jones AM

The main responsibilities of the Risk Sub-Committee include:

- Ensuring a robust and effective risk management structure and culture exists by overseeing the risk management framework.
- Ensuring a robust and effective compliance management structure and culture exists by overseeing the compliance management frameworks and documents and receiving regular reports from management.
- Ensuring robust and effective internal controls exists and are adhered to.
- Ensure that an independent and objective assurance function exists through the engagement and commissioning of Internal Auditors; reviewing and approving the Internal Audit Charter; the Internal Audit Plan and budget; the Internal Audit work program; and that the effectiveness of the Internal Audit function is reviewed.
- Monitor and review MCEC business resilience including business continuity and disaster recovery planning.
- Report to MCET as and when required on any other relevant matters that the Committee considers warrants MCET's attention.
- Undertake any other matters, as referred to the Committee by MCET.
- Monitor and review any project risk related to Nyaal Banyul.

**Finance Sub-Committee**

Mr Michael Burn (Chair)  
Mr Charlie Donnelly  
Ms Virginia Lovett  
Ms Sujata Stead

The main responsibilities of the Finance Sub-Committee include:

- Recommending to MCET a Financial Strategy supported by appropriate supporting Policies, governance and reporting frameworks.
- Overseeing the framing and development of annual financial and operational plans, budgets and forecasts whether for Trust or Government purposes, and recommending these to MCET for adoption.
- Overseeing the systems and controls for financial management and reporting, including reviewing the preparation of annual financial statements, performance of external auditors and make recommendations to MCET for their approval.
- Overseeing the development of a Capital Management Strategy supported by appropriate supporting Policies, governance and reporting frameworks, aligned with the risk appetite stance adopted by the Risk Committee.
- Recommending to MCET business cases supporting major or strategic financial investments in new assets or improved operational capability.
- Provide oversight function for project governance and periodic progress review against the business case benefit delivery as applicable.
- Recommending to MCET pricing updates at least annually, with an understanding of the rationale for price amendments and the impact of the prices on future financial performance.
- Structuring and overseeing a program of continuous financial performance improvement.
- Foster and maintain a financial management culture within MCET that creates credibility in financial and non-financial reporting to deliver its business strategy and create longer-term financial sustainability.

**Executive management**

To deliver on the refreshed business strategy, MCET and Chief Executive reviewed the executive management structure in 2023-24 that has resulted in changes that were fully effective from 16 July 2024.

**Chief Executive****Natalie O'Brien AM**

The Chief Executive is responsible for the overall management, business plan delivery and future strategic direction of MCET. They oversee planning and future management of Nyaal Banyul Geelong Convention and Exhibition Centre, opening in 2026.

**Chief Financial Officer****David Metcalfe (Commenced 1 July 2024)**

The Chief Financial Officer provides financial leadership to ensure business decisions are grounded in sound financial analysis. The role is responsible for financial operations and reporting to MCET, Finance Committee and Risk Committee. They oversee all financial operations including procurement and asset management, commercial analytics and risk management.

**Chief Operating Officer****Lauren Milsop (Commenced 22 July 2024)**

The Chief Operating Officer is responsible for the operational elements of the business across all venues. This incorporates driving productivity through quality delivery of event technology, food and beverage, safety, security, planning, event operations and workforce scheduling.

**Chief People Officer****Amanda Wilson**

The Chief People Officer is responsible for leading the people and culture strategy, and contributes to implementing the business vision, strategic objectives and values. The role is responsible for identifying initiatives to support an engaged and inclusive employee experience, focusing on ensuring employees are capable, confident and feel they belong. This role is the steward of MCET's industrial relations strategy.

**Chief Sales and Customer Experience Officer****Angie Becker (Commenced 11 January 2024)**

The Chief Sales and Customer Experience Officer is responsible for supporting our mission

to increase venue use and productivity and ensuring we delight our customers at every touchpoint. This role will drive acquisition, sales and event planning.

**Chief Information Officer****David Hains (Commenced 5 February 2024)**

The Chief Information Officer is responsible for the information technology strategy, recognising the importance of information and technology systems in future-proofing our business and driving productivity. The role oversees infrastructure, applications and services, cyber security functions as well as project management.

**Chief Strategy and Governance Officer****Rohan Astley**

The Chief Strategy and Governance Officer is responsible for strategic frameworks that deliver on the business' environmental, social and governance commitments while supporting the Chief Executive with the monitoring and implementation of the strategic plan. The role oversees sustainability and impact, stakeholder communications and engagement, and governance, compliance and legal functions.

**General Manager Marketing****Liz Kozmevski**

The General Manager Marketing is responsible for brand strategy, external content creation, digital channel strategy, event marketing services, market research and the visitor experience strategy.

**Project Director, Nyaal Banyul****Rick Aylett**

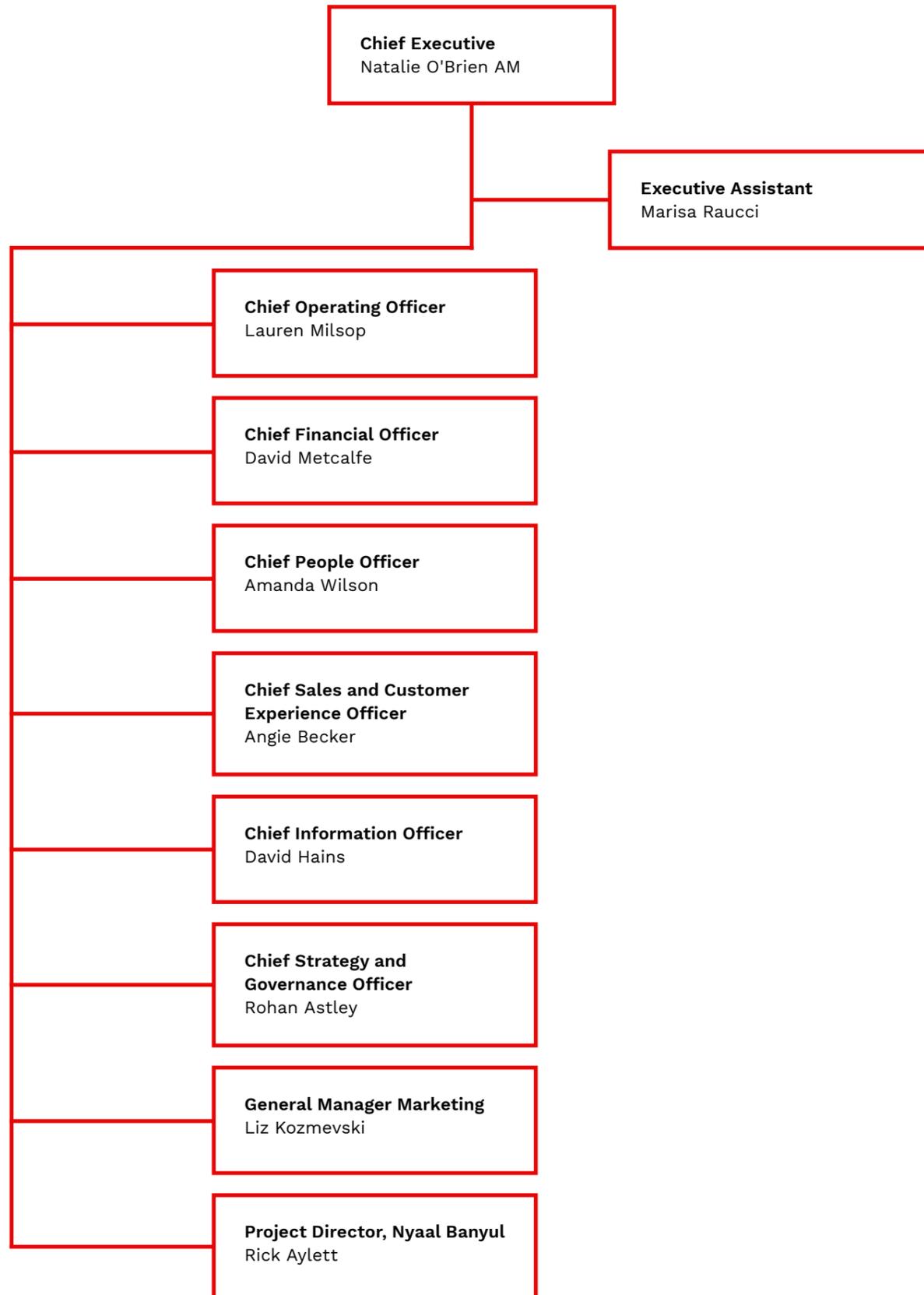
The Project Director, Nyaal Banyul is responsible for overseeing the project to operate the future convention and event centre in Geelong.

**Management and Employees**

For the year ended 30 June 2024, MCET employed seven Trustees, 359 full-time employees, and the full-time equivalent of 23 part time and 202 casual employees.

This compares to seven Trustees, 353 full-time employees, and the full-time equivalent of 22 part-time and 210 casual employees for the year ended 30 June 2023.

## Organisation structure



## Occupational health and safety

### Safety, Health & Wellbeing Policy

MCET 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 ISO 45001:2018 Occupational health and safety management systems. MCEC aims to incorporate practicable compliance to all aspects of related business activities.

MCEC's Safety, Health & Wellbeing (SHW) Policy and procedures are reviewed on a regular basis and in response to changes to governing requirements. Copies of the policy are available on all SHW noticeboards and MCEC's intranet.

### Safety, Health & Wellbeing Performance

In the last year, there were 107 reported staff injuries, the vast majority of which were minor. This is an increase of five injuries from 102 in FY22.

There were nine workers compensation claims lodged, of which one was rejected, two are pending decision, and six were accepted. This compares to nine claims lodged in FY23 which were all accepted.

There are currently six open workers compensation claims.

MCET achieved the following results relative to safety, health and wellbeing performance key result areas (KRA):

- **KRA 1: Safety Observations >12 per year**
  - 136 Safety Observations were reported
- **KRA 2: Workplace Inspections 12 per year**
  - 12 workplace inspections were conducted
- **KRA 3: 100% of incidents reviewed and appropriately actioned**
  - 100% of reported incidents were reviewed and actioned
- **KRA 4: Lost Time Injury Frequency Rate (LTIFR) of <6**
  - LTIFR for FY23 was 1.78
- **KRA 5: Zero Reportable Incidents (to WorkSafe)**
  - There were 2 reportable incidents
- **KRA 6: Zero WorkSafe Improvement or Prohibition Notices**
  - There were zero improvement or prohibition notices

## Other disclosures

### Victorian Industry Participation Policy (VIPP)

MCET did not commence or complete any Local Jobs First Standard or Strategic projects in 2023-24.

### Consultancy expenditure

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

In 2023-24 there were 14 consultancies where the total fees payable to the consultants were \$10,000 or more. The total expenditure incurred during 2023-24 in relation to these consultancies was \$1.43 million (excluding GST).

Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Expenditure (\$'000)
BizData Pty Ltd	Business intelligence	497
Ernst & Young	Procurement Review	279
The Contenders	Marketing	228
Davidson Executive and Boards	Financial Planning & Analysis	66
Staite Henningsen Klein Pty Ltd t/a SHK Pty Ltd	People & Culture	55
Maximus International Pty Limited	People & Culture	50
Opus Vitae	People & Culture	47
Aegis Risk Management Services Pty Ltd	Security & Safety	45
Centorrino Technologies Pty Ltd	Information Technology	31
Tuppence Consulting	Information Technology	28
Decision Inc Australia Pty Ltd	Financial Planning & Analysis	28

Circle T Industries Pty Ltd	Information Technology	27
Waste Audit & Consultancy Services (Aust) Pty Ltd	Sustainability	27
Ungerboeck Systems International (Australasia) Pty Ltd	Information Technology	19

#### Details of consultancies valued under \$10,000

In 2023-24, there were three consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2023-24 in relation to these consultancies was \$18,500 (excluding GST).

### Information and Communication Technology (ICT) expenditure

For the 2023-24 reporting period, MCET had total ICT expenditure of \$5.78 million (excluding GST) with the details shown below.

#### Business as Usual

ICT expenditure \$'000
5,773

#### Non Business as Usual

Total ICT expenditure \$'000	Operational expenditure \$'000	Capital expenditure \$'000
9	0	9

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

NonBAU ICT expenditure relates to extending or enhancing MCET'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.

## Reviews and studies expenditure

### Details of reviews and studies

During 2023-24, there were three reviews and studies undertaken with the total cost of \$534,000. Details of individual reviews and studies are outlined below. Costs recorded are excluding GST.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year \$'000	Final cost if completed \$'000	Publicly available
Procurement Review	Transform the procurement function to establish a scalable, value-adding, compliant and user-friendly end-to-end procurement process.	1. Refresh operating model and uplift capability. 2. Update policies, strategies, processes and supporting documents. 3. Implement improved procurement systems and tools.	Financial benefits through cost savings, enhanced productivity through simplified processes and improved governance and compliance.	279	N/A	N
Strategic brand development for new venue (Brand Agency)	To develop the inaugural brand strategy and identity for Nyaal Banyul Geelong Convention and Event Centre.	Develop strategic brand framework and visual system for the future venue.	Brand strategy and identity guidelines aligned to commercial, community and economic objectives.	228	228	Y <a href="https://www.mcec.com.au/stories-and-ideas/a-peek-into-the-brand-identity-of-nyaal-banyul">https://www.mcec.com.au/stories-and-ideas/a-peek-into-the-brand-identity-of-nyaal-banyul</a>  <a href="https://www.nyaalbanyul.com.au/">https://www.nyaalbanyul.com.au/</a>
Waste Audit & Management Plan	To help meet MCEC's Sustainability Strategy targets to improve waste diversion rates and reduce landfill waste.	To assess MCEC's current waste practices, conduct a comprehensive independent waste audit and assessment of the venue, identify areas for improvement, and develop a site-specific Waste Avoidance and Resource Recovery Plan.	A more strategic and informed approach to waste management and minimisation. Improved waste diversion rate.	27	30	N

## Freedom of Information (FOI)

MCET 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 MCET are in accordance with procedures established under the Act.

For the 12 months ending 30 June 2024, MCET received one application.

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

Further information on the Act may be obtained from [www.foicommisioner.vic.gov.au](http://www.foicommisioner.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 2023-24.

#### Statement 2: *Categories of documents*

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

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

Documents are classified under the following categories:

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

#### Statement 3: *Material made available to the public*

Material available for the public can be found on MCEC's website [www.mcec.com.au](http://www.mcec.com.au).

#### Statement 4: *Rules, policies and procedures*

Refer to the Freedom of Information (FOI) section on MCEC's website <https://www.mcec.com.au/who-we-are/corporate-and-legal>.

#### Statement 5: *Responsibilities*

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

## Disability Act 2006

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

MCET's Accessibility Action Plan is being updated to cover the period of 2024-25 to 2026-27, and will be publicly launched prior to publish of this annual report. The plan addresses the four outcome areas as set out in section 38 of the *Disability Act 2006*:

- a) reduce barriers to persons with a disability accessing goods, services, and facilities.
- b) reducing barriers to persons with a disability obtaining and maintaining employment.
- c) promoting inclusion and participation in the community of persons with a disability.
- d) achieving tangible changes in attitudes and practices which discriminate against persons with a disability.

At a minimum, actions in the plan meet legislative requirements but MCET always seeks opportunities to advance the inclusion of people experiencing disability. This includes centring the experience of people with disability, and involving them in our planning, to better inform decision making.

MCET has already introduced many initiatives and improvements across the four outcome areas. In particular, for the year ending 30 June 2024, MCET has implemented the following initiatives in relation to accessibility at the Centre:

1. MCEC Accessibility Review: In early 2024, a review by access consultants was commissioned to identify opportunities to enhance the accessibility standards of the MCEC building. This has helped inform the new Accessibility Action Plan.
2. Website upgrade: MCEC's new website was launched in 2023 with accessibility front of mind. The new site complies with WCAG 2.0 Level AA Accessibility Guidelines, featuring online visitor information outlining accessibility features of the venue, and virtual online tours to assist with pre-event planning.
3. Changing Places proposal: MCET has developed plans for a Changing Places facility at MCEC, in consultation with the community who will use this amenity. Funding is being secured to deliver this by December 2024.
4. Nyaal Banyul Universal Design: MCET has provided input into design and planning for the new Nyaal Banyul Geelong Convention and Event Centre. This will ensure important features such as integrated ramping, above

standard universal access seating options in the theatre space, hearing augmentation loops, high contrast signage for the visually impaired, accessible sliding doors, a Changing Places facility and more.

5. Employment participation: Through a partnership with Alkira, MCET has facilitated valuable and enriching work placement programs for four people with disabilities since late 2023.
6. Positive Impact Guide: In 2023, MCET launched a new resource for event organisers who use our venue, to help them in delivering positive impacts through their events. This includes guidance on MCEC's accessibility offerings and features for delegates.
7. Travellers Aid: MCET has worked with mobility providers Travellers Aid to promote their support services to event organisers who use the MCEC venue, and trialled the service for the Australian Disability Network IMPACT Conference in May.

## Building regulations

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

## National Competition Policy

MCET is committed to the ongoing compliance with the requirements of the competitive neutrality principles and is satisfied that its activities comply with the Victorian Government's National Competition Policy including compliance with the requirements of the policy statement, Competitive Neutrality Policy Victoria and any subsequent reforms.

## Public Interest Disclosure Act 2012

MCET is not a public body to which disclosures may be made. Disclosures of improper conduct or detrimental action relating to MCET 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](http://www.ibac.vic.gov.au).

As required by s.58(5) of the *Public Interest Disclosure Act 2012*, MCET has made available on its website <https://www.mcec.com.au/who-we-are/corporate-and-legal> for protecting people who make public interest disclosures from detrimental action by MCET or its staff.

## Disclosure of procurement complaints

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

MCET confirms nil reports through its procurement complaints management system in 2023-24.

## Environmental impacts

MCET's Sustainability Strategy (2021-2026) and Action Plan have been developed to ensure that we adhere to all government prescribed standards, targets and requirements; and that we acknowledge and meet the expectations of our customers, clients, and employees as we continue our journey towards reducing our impact on the environment and achieving net zero emissions by 2050.

Significant progress has been made in several key environmental and social focus areas and we are committed to maintaining a leadership position within our sector.

## Recent initiatives

MCET became a signatory to the Joint Meetings Industry Council (JMIC) Zero Carbon Events Pledge in 2021. As part of our commitment, we worked with consultants this year to develop a carbon emissions inventory that acknowledges our Scope 1, 2 and 3 emissions. To date, we have reported on our Scope 1 and 2 emissions only. By including Scope 3 emissions, we're extending our responsibility beyond the boundaries of our own direct emissions and operations, and seeking to encourage more sustainable practices, and alignment with net-zero targets, up and down our entire value chain.

We have aligned our net zero target to the Science Based Target initiative (SBTi) and have clearly committed to halving our emissions by 2030, and achieving net zero emissions by 2050.

This year, we continued to scale up our returnable coffee cup program and introduced 45 collection units (Drop Pods) to help facilitate easy and convenient cup return. The returnable cup program was launched in March 2023, and we have now served tea and coffee in returnable cups to over 890,000 attendees across our catering spaces. Our aim is to eliminate single use coffee cups from our operations entirely.

While disposable cups are still in use across our retail areas, we've partnered with Simply Cups to sort and separate disposable cups from our waste streams, so that they can be collected and recycled.

We've also introduced reusable serving ware for food catering. Our eco lunch boxes are available for events and meetings where a 'grab and go' option is requested – they're easily returned and washed for reuse and help to eliminate food and packaging waste being sent to landfill.

We know that food waste is a big problem in Australia. As an 'Awesome Partner', MCET provides a dedicated onsite kitchen space for OzHarvest to run their popular Cooking for a Cause (CFAC) program throughout the year. This year, the program delivered 2,790 meals to those in need, utilising 5,580 kilograms of rescued food.

An additional 9,041 kilograms of surplus food was rescued from events that took place at MCEC and was donated to OzHarvest – equivalent to another 18,091 meals donated to those in need.

In 2021, an organics dehydrator was installed onsite. Our 'Waste Master' processes any food scraps and organic material that cannot be rescued, reducing volume by up to 80 per cent. The dehydrated organic material is collected and transported to a facility that produces high quality, organic compost which is made available to farmers and gardeners. Last year, we processed around 55 tonnes of organic material – diverting this material from landfill is equivalent to reducing greenhouse gas emissions by around 107 tonnes.

Victoria introduced the Container Deposit Scheme in 2023, and we have partnered with Envirobank to start collecting eligible containers from our waste streams. Close to 50,000 containers have been collected for recycling since our trial started, and we'll be introducing new bin infrastructure to help facilitate further recovery.

We've also continued to roll out our three and four stream 'source-separation' bin systems in all front and back-of-house areas, helping us to maximise the recovery of recyclable materials. Importantly, green (organics) bins can now be found in our front-of-house areas, which means our attendees can help us rescue more food waste from landfill.

Melbourne Skyfarm is a world-class urban farming system that operates on the rooftop of a carpark in Siddeley Street, managed by MCET. Over 100 'food cubes' are tended to on the rooftop, encouraging biodiversity and increased vegetation. This year, 434 kilograms of fresh produce was grown and harvested from the Melbourne Skyfarm rooftop garden. The produce was donated to OzHarvest for redistribution to those in need.

Sometimes, unwanted items are left behind at events. This year, we donated over three tonnes of food and other 'left over' items to Bright Sparq for rehoming.

## Maximise diversion from landfill

We've set some ambitious targets for diverting waste from landfill, and we acknowledge that we still have a long way to go. This year, our waste diversion rates were 38 per cent from core business areas, and 47 per cent from licensed (event) areas.

To assist us with understanding our current waste management practices, and to identify areas for improvement, we conducted an independent audit of waste generation across our operations. We audited 944 kilograms of waste, which helped us to identify common contaminants, and has informed the development of a new Waste Avoidance and Resource Recovery Plan for our operations.

## Environmental certifications

MCEC has been EarthCheck certified since 2009 and has consistently achieved Gold status since 2016. This year, we achieved a promotion to Platinum status certification.

## Environmental reporting

MCET is committed to achieving net-zero emissions by 2050, and to our decarbonisation journey. Reporting on our progress towards reducing greenhouse gas emissions is a key priority, and we're seeking to understand and address our entire emissions inventory.

This year, we appointed a consulting firm (Point Advisory) to develop a carbon emissions inventory for us, that includes Scope 1, Scope 2 and Scope 3 emissions, and extends our organisational boundary to include the Siddeley Street carpark.

The carbon emissions inventory was compiled using data from financial year 2022-23 and delivers a new, all-inclusive, baseline for our reporting. In future years, MCET intends to report on Scope 1, 2 and 3 emissions and our reduced overall impact. As part of our commitment, we'll publish our Net Zero Roadmap by December 2024.

The consultants found that:

- MCET's total calculated emissions for 2022-23 were 35,623 tCO<sub>2</sub>-e.
- MCET's emissions are primarily Scope 2 (49 per cent) and Scope 3 (40 per cent).
- Major emission sources were found to be electricity (49 per cent Scope 2 and five per cent Scope 3); food & catering (21 per cent); natural gas (10 per cent Scope 1 and 1 per cent Scope 3); all other purchased goods & services + capital goods (11 per cent).

Total Scope 1 (tonnes CO <sub>2</sub> -e)	3,852.5
Total Scope 2 (tonnes CO <sub>2</sub> -e)	17,611.5
Total Scope 3 (tonnes CO <sub>2</sub> -e)	14,158.7
Total emissions inventory (tonnes CO <sub>2</sub> -e)	35,622.6

\*Completed by external consultant and may differ from MCET's self-reported calculations.

Having completed this all-inclusive inventory, we are now planning to publish our Net Zero Roadmap by the end of December 2024.

## Reporting boundary for environmental data

All operations and activities of MCET are included within the organisational boundary for this reporting period, across the three main buildings: Melbourne Convention Centre (MCC), Melbourne Exhibition Centre (MEC) and Melbourne Exhibition Centre Expansion (MECE). The reporting boundary for this year does not include Siddeley Street carpark, Montague St carpark or the Clarendon St footbridge, all of which are owned by MCET, but where emissions sources have not previously been quantified.

## Greenhouse gas emissions

MCET currently reports on Scope 1 and Scope 2 greenhouse gas emissions, with the intention to report on Scope 3 emissions in future years.

Scope 1 emissions are from sources that MCET owns or controls, such as fleet fuel and natural gas. Scope 2 emissions are indirect emissions from our use of purchased electricity from the grid. Scope 3 emissions are indirect emissions from sources up and down our supply chain, that we do not directly control, but that we may influence.

We have an SBTi based interim target of reducing our emissions by 50 per cent, by 2030.

Our ongoing partnership with the Melbourne Renewable Energy Project (MREP) allows us to purchase renewable energy certificates to offset a proportion of our emissions. Renewable energy therefore accounts for 16 per cent of our total electricity consumption.

Indicator	2023-24
Total Scope 1 greenhouse gas emissions (Tonnes CO <sub>2</sub> -e) [Indicator G1]	3,079.8
Total Scope 2 greenhouse gas emissions (Tonnes CO <sub>2</sub> -e) [Indicator G2]	22,699.3

## Electricity production and consumption

Electricity consumption increased marginally this year, given the increased activity at the venue. Lifecycle projects continue to improve efficiencies through replacement of controls and field devices, including exit and emergency lighting, rainwater plant upgrades, changing metal halide lighting to LED, air damper replacements and kitchen equipment replacements.

Indicator	2023-24
Total electricity consumption (MWh) [Indicator EL1]	25,074.97
Purchased electricity – consolidated	
Melbourne Exhibition Centre	6,140.81
Melbourne Convention Centre	13,726.78
Melbourne Exhibition Centre Expansion	5,207.38
On-site electricity generated (MWh) [Indicator EL2]	N/A
On-site installed generation capacity (MW) [Indicator EL3]	N/A
Total electricity offsets (MWh) [Indicator EL4]	4.0
LGC's voluntarily retired by the Entity	4.0

## Stationary fuel use

Sources of emissions from stationary fuel include natural gas, which is primarily used for the building's boilers.

Indicator	2023-24
Total fuels used in buildings and machinery (MJ) [Indicator F1]	59,715.32
Buildings	
Natural gas	59,715.32
Greenhouse gas emissions from stationary fuel consumption (Tonnes CO <sub>2</sub> -e) [Indicator F2]	3,077.1

## Transportation

MCET's fleet comprises of three pool vehicles for passenger use. All are diesel passenger (road) vehicles.

Indicator	2023-24	%
Number and proportion of vehicles [Indicator T2]	3	100
Road vehicles		
Passenger vehicles		
Diesel	3	100

Indicator	2023-24
Total energy used in transportation (MJ) [Indicator T1]	37,318
Road vehicles	
Passenger vehicles	
Diesel	37,318
Greenhouse gas emissions from vehicle fleet (Tonnes CO <sub>2</sub> e) [Indicator T3]	2,630.6
Road vehicles	
Passenger vehicles	
Diesel	2,630.6

## Total energy use

MCET's use of renewable energy is 16 per cent, driven by the voluntary surrender of Renewable Energy Certificates (4GWh).

Indicator	2023-24
Total energy usage from fuels (stationary and transportation) (MJ) [Indicator E1]	59,752,638
Total energy used from electricity (MJ) [Indicator E2]	90,269,885
Total energy used segmented into renewable and non-renewable sources (MJ) [Indicator E3]	150,022,523
Renewable	16%
Non-renewable	84%
Units of energy used (MJ) normalised by Fully Enclosed Covered Area (FECA) [Indicator E4]	865

## Corporate Plan

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

## Nature and range of services provided, including sections of the community serviced

By the provision of world-class convention and exhibition facilities, MCET 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 MCET'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](mailto:enquiries@mcec.com.au)

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

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

## Compliance with DataVic Access Policy

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

## Asset Management Accountability Framework (AMAF) maturity assessment

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

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

## Leadership and Accountability (requirements 1-19)

MCET has achieved a satisfactory level of maturity via the vast majority of requirements within the applicable category.

Further enhancement of practices pertaining to the performance requirements of assets have been identified, primarily pertaining to the implementation of performance standards and alignment to performance targets. To support the continuous enhancement of practices, improvement and strategic planning mechanisms have been embedded.

There is no material non-compliance reported in this category.

## Planning

(requirements 20-23)

MCET has achieved a satisfactory level of maturity via all actions within the applicable categories.

## Acquisition

(requirements 24 and 25)

MCET has achieved a satisfactory level of maturity via all actions within the applicable categories.

## Operation

(requirements 26-40)

MCET has achieved a satisfactory level of maturity via the vast majority of requirements within the applicable category.

Further enhancement and establishment of practices to support the performance of assets' have been identified, encompassing preventative maintenance and asset condition assessment, accompanied with supporting practices pertaining to information management/record keeping. To support the continuous enhancement of practices, improvement and strategic planning mechanisms have been embedded.

There is no material non-compliance reported in this category.

## Disposal

(requirement 41)

MCET has achieved a satisfactory level of maturity via the specified actioning within the applicable category.

# Financial statements

For the year ended 30 June 2024

## How this report is structured

The Melbourne Convention and Exhibition Trust (MCET) has presented its audited general-purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with the information about MCET's stewardship of resources entrusted to it.

<b>Declaration in the financial statements</b>	<b>33</b>
<b>Independent auditors report</b>	<b>34</b>
<b>Comprehensive operating statement</b>	<b>36</b>
<b>Balance sheet</b>	<b>37</b>
<b>Cash flow statement</b>	<b>38</b>
<b>Statement of changes in equity</b>	<b>39</b>
<b>Notes to the financial statements</b>	<b>40</b>
1. About this report	40
2. Funding delivery of our services	41
3. The cost of delivering services	42
4. Key assets available to support output delivery	45
5. Other assets and liabilities	49
6. How we financed our operations	52
7. Risks, contingencies and valuation judgements	57
8. Other disclosures	67

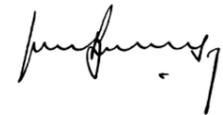
## Declaration in the financial statements

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

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

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

We authorise the attached financial statements for issue on 19 September 2024.



**The Hon. John Brumby AO**  
Trust Chair

Melbourne  
19 September 2024



**Natalie O'Brien AM**  
Chief Executive

Melbourne  
19 September 2024



**David Metcalfe**  
Chief Financial Officer

Melbourne  
19 September 2024

## Independent auditors report



### Independent Auditor's Report

#### To the Members of the Melbourne Convention and Exhibition Trust

<b>Opinion</b>	<p>I have audited the financial report of the Melbourne Convention and Exhibition Trust (the trust) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2024</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including material accounting policy information</li> <li>• declaration in the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the trust as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Members' responsibilities for the financial report</b>	<p>The Members of the trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Members are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

#### Auditor's responsibilities for the audit of the financial report

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

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

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

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

Simone Bohan

as delegate for the Auditor-General of Victoria

MELBOURNE  
1 October 2024

## Comprehensive operating statement

For the financial year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Continuing operations</b>			
<b>Revenue and income from transactions</b>			
Sale of goods and services	2.2.1	107,004	88,980
Interest		1,880	1,005
Grants	2.2.2	2,222	29,224
<b>Total revenue and income from transactions</b>		<b>111,106</b>	<b>119,209</b>
<b>Expenses from transactions</b>			
Supplies and services	3.1.1	54,607	52,226
Employee expenses	3.1.2	58,968	55,655
Interest expense	6.1.2	1,811	1,790
Depreciation	4.1.3	39,462	41,042
Other operating expenses	3.1.5	664	514
<b>Total expenses from transactions</b>		<b>155,512</b>	<b>151,227</b>
<b>Net result from transactions (net operating balance)</b>		<b>(44,406)</b>	<b>(32,018)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	8.1	33	(16)
Other gains/(losses) from other economic flows	8.1	(419)	(570)
<b>Total other economic flows included in net result</b>		<b>(386)</b>	<b>(586)</b>
<b>Net result</b>		<b>(44,792)</b>	<b>(32,604)</b>
<b>Other economic flows – other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	8.2	14,751	-
<b>Total other economic flows – other comprehensive income</b>		<b>14,751</b>	<b>-</b>
<b>Comprehensive result</b>		<b>(30,041)</b>	<b>(32,604)</b>

The accompanying notes form part of these financial statements.

## Balance sheet

As at 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.3	39,478	44,733
Receivables	5.1	11,340	7,050
Investments and other financial assets	4.2	-	2,000
<b>Total financial assets</b>		<b>50,818</b>	<b>53,783</b>
<b>Non-financial assets</b>			
Inventories		887	823
Property, plant and equipment	4.1	962,237	985,390
Other non-financial assets	5.2	1,683	640
<b>Total non-financial assets</b>		<b>964,807</b>	<b>986,853</b>
<b>Total assets</b>		<b>1,015,625</b>	<b>1,040,636</b>
<b>Liabilities</b>			
Payables	5.3	10,093	13,072
Borrowings	6.1	159,904	157,981
Employee related provisions	3.1.3	6,375	5,955
Contract liabilities	5.4	25,903	20,237
<b>Total liabilities</b>		<b>202,275</b>	<b>197,245</b>
<b>Net assets</b>		<b>813,350</b>	<b>843,391</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		(257,516)	(212,724)
Physical asset revaluation surplus	8.2	434,717	419,966
Contributed capital		636,149	636,149
<b>Net worth</b>		<b>813,350</b>	<b>843,391</b>

The accompanying notes form part of these financial statements.

## Cash flow statement

For the financial year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers		119,550	101,573
Receipts from government		-	30,359
Interest received		1,912	978
<b>Total receipts</b>		<b>121,462</b>	<b>132,910</b>
<b>Payments</b>			
Payments to suppliers and employees		(119,462)	(108,729)
Goods and services tax paid to the ATO <sup>(a)</sup>		(7,393)	(7,718)
<b>Total payments</b>		<b>(126,855)</b>	<b>(116,447)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.3.1	<b>(5,393)</b>	<b>16,463</b>
<b>Cash flow from investing activities</b>			
Purchases of non-financial assets		(1,754)	(2,878)
Proceeds from sale of non-financial assets		41	2
Transfers from/(to) investments		2,000	-
<b>Net cash flows from/(used in) investing activities</b>		<b>287</b>	<b>(2,876)</b>
<b>Cash flows from financing activities</b>			
Principal portion of lease liabilities <sup>(b)</sup>		(149)	(120)
<b>Net cash flows from/(used in) financing activities</b>		<b>(149)</b>	<b>(120)</b>
<b>Net increase/(decrease) in cash and deposits</b>		<b>(5,255)</b>	<b>13,467</b>
Cash and deposits at beginning of financial year		44,733	31,266
<b>Cash and deposits at end of financial year</b>	6.3	<b>39,478</b>	<b>44,733</b>

The accompanying notes form part of these financial statements.

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

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

## Statement of changes in equity

For the financial year ended 30 June 2024

	Notes	Physical asset revaluation surplus \$'000	Accumulated deficit \$'000	Contributions by owner \$'000	Total \$'000
<b>Balance at 1 July 2022</b>		<b>419,966</b>	<b>(180,120)</b>	<b>636,149</b>	<b>875,995</b>
Net result for the year		-	(32,604)	-	(32,604)
<b>Balance at 30 June 2023</b>		<b>419,966</b>	<b>(212,724)</b>	<b>636,149</b>	<b>843,391</b>
Net result for the year		-	(44,792)	-	(44,792)
Other comprehensive income for the year	8.2	14,751	-	-	14,751
<b>Balance at 30 June 2024</b>		<b>434,717</b>	<b>(257,516)</b>	<b>636,149</b>	<b>813,350</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements

### 1. About this report

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

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

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

#### *Basis of preparation*

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

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

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

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

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

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 thousand 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

MCET's purpose is to provide welcoming spaces for people to share ideas, build communities and leave legacies. It does this through providing spaces, leading technology and award-winning food. To enable MCET to fulfil its objectives and provide outputs, it derives income from venue hire, technology services, food and beverage and event-related services.

#### *2.1 Summary of revenue and income that funds the delivery of our services*

	Notes	2024 \$'000	2023 \$'000
Sale of good and services	2.2.1	107,004	88,980
Interest		1,880	1,005
Grants	2.2.2	2,222	29,224
<b>Total revenue and income from transactions</b>		<b>111,106</b>	<b>119,209</b>

Revenue and income that fund delivery of MCET's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

#### *2.2 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.

##### **2.2.1 Sale of goods and services**

	2024 \$'000	2023 \$'000
Rendering of services	67,729	55,904
Sale of goods	39,275	33,076
<b>Total sale of goods and services</b>	<b>107,004</b>	<b>88,980</b>

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

##### **Performance obligations and revenue recognition policies**

MCET recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are delivered and satisfied.

Customers are invoiced in advance of recognising the associated revenue. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. Where the performance obligation is satisfied but not yet billed, a contract asset is recorded. Any refunds are treated as a reversal in Receivables.

## 2.2.2 Grants

### Income recognised as revenue under AASB 1058

	2024 \$'000	2023 \$'000
COVID-19 support funding from the State	-	26,275
Asset lifecycle replacement	2,222	1,625
Nyaal Banyul Geelong Convention and Event Centre project funding	-	1,324
<b>Total grants</b>	<b>2,222</b>	<b>29,224</b>

The grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants for asset lifecycle replacement are recognised progressively as the expenses incurred. This aligns with MCET's obligation to operate the asset. The progressive costs incurred is used to recognise income because this most closely reflects the maintenance as costs are incurred as the works are done.

As future operators of Nyaal Banyul Geelong Convention and Event Centre opening in 2026, the centre will drive growth and economic impact to Geelong and surrounding regions. MCET did not receive any funding for this project in 2023-24.

There are no grants recognised under AASB15.

## 3. The cost of delivering services

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

### 3.1 Expenses incurred in the delivery of services

#### 3.1.1 Supplies and services

	2024 \$'000	2023 \$'000
Purchase of supplies and services	31,348	32,561
Cost of goods sold	11,716	10,538
Maintenance	11,543	9,127
<b>Total supplies and services</b>	<b>54,607</b>	<b>52,226</b>

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

The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense under Cost of Goods sold in the period the write down or loss occurs.

#### 3.1.2 Employee benefits in the comprehensive operating statement

	2024 \$'000	2023 \$'000
Defined contribution superannuation expense	5,329	4,818
Salaries and wages, annual leave and long service leave	52,564	50,014
Termination benefits	1,075	823
<b>Total employee expenses</b>	<b>58,968</b>	<b>55,655</b>

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

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment.

#### 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.

	2024 \$'000	2023 \$'000
<b>Current provisions</b>		
<b>Annual leave</b>		
Unconditional and expected to be settled within 12 months	2,335	2,043
Unconditional and expected to be settled after 12 months	105	223
<b>Long service leave</b>		
Unconditional and expected to be settled within 12 months	140	205
Unconditional and expected to be settled after 12 months	1,655	1,534
<b>Provisions for on-costs</b>		
Unconditional and expected to settle within 12 months	430	373
Unconditional and expected to settle after 12 months	369	295
<b>Total current provisions for employee benefits</b>	<b>5,034</b>	<b>4,673</b>
<b>Non-current provisions:</b>		
<b>Long service leave</b>		
Employee benefits	1,187	1,097
On-costs	154	185
<b>Total non-current provisions for employee benefits</b>	<b>1,341</b>	<b>1,282</b>
<b>Total provisions for employee benefits</b>	<b>6,375</b>	<b>5,955</b>

**Wages and salaries, annual leave and sick leave:** Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because MCET 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 MCET 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 MCET 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 MCET 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 MCET expects to wholly settle within 12 months; or
- present value – if MCET 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 MCET are entitled to receive superannuation benefits and MCET 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 MCET.

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

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Host Plus Superannuation Fund	2,227	1,989	200	261
Australian Super	1,095	941	94	125
REST Superannuation Fund	352	312	32	39
Others	1,453	1,168	115	166
<b>Total</b>	<b>5,127</b>	<b>4,410</b>	<b>441</b>	<b>591</b>

### 3.1.5 Other operating expenses

	2024 \$'000	2023 \$'000
Short-term and low value lease expenses	407	540
Loss allowance from transactions	56	(26)
Write down of Capital Projects	201	-
<b>Total other operating expenses</b>	<b>664</b>	<b>514</b>

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

## 4. Key assets available to support output delivery

MCET 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 MCET to be utilised for delivery of those outputs.

### 4.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Land at fair value	388,772	441,900	-	-	388,772	441,900
Buildings at fair value	549,304	589,166	-	(70,899)	549,304	518,267
Plant and equipment at fair value	60,428	62,463	(50,108)	(51,624)	10,320	10,839
Assets under construction at cost	1,229	2,771	-	-	1,229	2,771
Infrastructure at fair value	11,980	11,157	-	(826)	11,980	10,331
Cultural assets at fair value	632	1,282	-	-	632	1,282
<b>Net carrying amount</b>	<b>1,012,345</b>	<b>1,108,739</b>	<b>(50,108)</b>	<b>(123,349)</b>	<b>962,237</b>	<b>985,390</b>

#### 4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment<sup>(a)</sup>

	Land	Buildings	Plant and equipment	Assets under construction	Infrastructure assets	Cultural assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2024</b>							
<b>Opening balance</b>	<b>441,900</b>	<b>518,267</b>	<b>10,839</b>	<b>2,771</b>	<b>10,331</b>	<b>1,282</b>	<b>985,390</b>
Additions	-	-	281	1,284	-	-	1,565
Transfers	-	41	2,785	(2,826)	-	-	-
Disposals	-	-	(7)	-	-	-	(7)
Revaluations	(53,128)	66,467	-	-	2,062	(650)	14,751
Depreciation	-	(35,471)	(3,578)	-	(413)	-	(39,462)
<b>Closing balance</b>	<b>388,772</b>	<b>549,304</b>	<b>10,320</b>	<b>1,229</b>	<b>11,980</b>	<b>632</b>	<b>962,237</b>
<b>Year ended 30 June 2023</b>							
<b>Opening balance</b>	<b>441,900</b>	<b>553,735</b>	<b>13,989</b>	<b>1,638</b>	<b>10,744</b>	<b>1,282</b>	<b>1,023,288</b>
Additions	-	-	-	3,299	-	-	3,299
Transfers	-	-	2,081	(2,166)	-	-	(85)
Disposals	-	-	(70)	-	-	-	(70)
Revaluations	-	-	-	-	-	-	-
Depreciation	-	(35,468)	(5,161)	-	(413)	-	(41,042)
<b>Closing balance</b>	<b>441,900</b>	<b>518,267</b>	<b>10,839</b>	<b>2,771</b>	<b>10,331</b>	<b>1,282</b>	<b>985,390</b>

#### 4.1.2 Total right-of-use assets

The following tables are subsets of buildings, and plant and equipment by right-of-use assets and service concession assets.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Land	16,400	16,400	-	-	16,400	16,400
Building	5,378	5,378	(2,063)	(1,375)	3,315	4,003
Plant, equipment and vehicles	863	582	(605)	(465)	258	117
<b>Net carrying amount</b>	<b>22,641</b>	<b>22,360</b>	<b>(2,668)</b>	<b>(1,840)</b>	<b>19,973</b>	<b>20,520</b>

Year ended	Land at fair value \$'000	Building at fair value \$'000	Plant, equipment and vehicles at fair value \$'000	
<b>30 June 2024</b>				
<b>Opening balance</b>	<b>16,400</b>	<b>4,003</b>	<b>117</b>	
Additions	-	-	281	
Disposals	-	-	-	
Depreciation	-	(688)	(140)	
<b>Closing balance</b>	<b>16,400</b>	<b>3,315</b>	<b>258</b>	

Year ended	Land at fair value \$'000	Building at fair value \$'000	Plant, equipment and vehicles at fair value \$'000	
<b>30 June 2023</b>				
<b>Opening balance</b>	<b>16,400</b>	<b>4,691</b>	<b>231</b>	
Additions	-	-	-	
Disposals	-	-	-	
Depreciation	-	(688)	(114)	
<b>Closing balance</b>	<b>16,400</b>	<b>4,003</b>	<b>117</b>	

Note (a) Fair value assessments have been performed for all classes of assets in this purpose group. As a result, a managerial revaluation was carried out to revalue land, buildings and infrastructure to fair value. The valuation of buildings has increased cumulatively by 12.13%, the valuation of land has decreased cumulatively by 12.49% and the valuation of infrastructure has increased 20.8% since they were last revalued in 2021. The next scheduled full revaluation for this purpose group will be conducted in 2026.

#### Initial recognition

Property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

#### Subsequent measurement

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

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

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

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

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

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

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

#### 4.1.3 Depreciation

	2024 \$'000	2023 \$'000
Buildings	34,783	34,780
Plant and equipment	3,438	5,047
Right-of-use assets	828	802
Infrastructure	413	413
<b>Total depreciation</b>	<b>39,462</b>	<b>41,042</b>

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

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

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

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

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

#### 4.2 Investments and other financial assets

	2024 \$'000	2023 \$'000
<b>Current investments and other financial assets</b>		
Australian dollar term deposits > three months	-	2,000
<b>Total investments and other financial assets</b>	<b>-</b>	<b>2,000</b>

Term deposits under 'investments and other financial assets' include only term deposits with a maturity date greater than 90 days. There is no investments and other financial assets for FY24.

## 5. Other assets and liabilities

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

### 5.1 Receivables

	Notes	2024 \$'000	2023 \$'000
<b>Current</b>			
<b>Contractual</b>			
Sale of goods and services		11,392	7,096
Allowance for impairment losses of contractual receivables	7.1.1	(52)	(46)
<b>Total receivables</b>		<b>11,340</b>	<b>7,050</b>

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments.

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

### 5.2 Other non-financial assets

	2024 \$'000	2023 \$'000
<b>Current</b>		
Prepayments	1,683	640
<b>Total other non-financial assets</b>	<b>1,683</b>	<b>640</b>

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.

## 5.3 Payables

	2024 \$'000	2023 \$'000
<b>Current</b>		
<b>Contractual</b>		
Supplies and services	5,377	6,586
Amounts payable to Government and agencies	2,281	2,890
Other payables	1,850	1,713
	<b>9,508</b>	<b>11,189</b>
<b>Statutory</b>		
FBT payable	43	44
GST payable	230	1,105
State Revenue Office – Payroll Tax Payable	312	401
State Revenue Office – Congestion Levy	-	333
	<b>585</b>	<b>1,883</b>
<b>Total payables</b>	<b>10,093</b>	<b>13,072</b>

All payables are classified as current which consists of:

- **Contractual payables**, these are classified as financial instruments and measured at amortised cost. They represent liabilities for goods and services provided to MCET prior to the end of the financial year that are unpaid, and arise when MCET 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 and as they are not legislative payables, they are not classified as financial instruments.

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

	Maturity dates				
	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000
<b>30 June 2024</b>					
Supplies and services	5,377	5,377	5,020	357	-
Amounts payable to government and agencies	2,281	2,281	139	2,142	-
Other payables	1,850	1,850	1,850	-	-
<b>Total contractual payables</b>	<b>9,508</b>	<b>9,508</b>	<b>7,009</b>	<b>2,499</b>	<b>-</b>
<b>30 June 2023</b>					
Supplies and services	6,586	6,586	6,431	76	79
Amounts payable to government and agencies	2,890	2,890	1,102	1,788	-
Other payables	1,713	1,713	1,713	-	-
<b>Total contractual payables</b>	<b>11,189</b>	<b>11,189</b>	<b>9,246</b>	<b>1,864</b>	<b>79</b>

Note (a) The maturity analysis is presented using the contractual undiscounted cash flows.

## 5.4 Contract liabilities

	2024 \$'000	2023 \$'000
<b>Current</b>		
Income received in advance	8	8
Deposits against future bookings	25,895	20,229
<b>Total contract liabilities</b>	<b>25,903</b>	<b>20,237</b>

Contract liabilities include:

- Invoices against future bookings where performance obligations have not been met 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 MCET during its operations, along with interest expenses and other information related to financing activities of MCET. This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). In the current year MCET's operations were also partly financed by direct operating grants from the State.

### 6.1 Borrowings

	2024 \$'000	2023 \$'000
<b>Current Borrowings</b>		
Lease liabilities (a)	80	106
<b>Total current borrowings</b>	<b>80</b>	<b>106</b>
<b>Non-current Borrowings</b>		
Lease liabilities (a)	185	27
Advances from government (b)	159,639	157,848
	<b>159,824</b>	<b>157,875</b>
<b>Total borrowings</b>	<b>159,904</b>	<b>157,981</b>

Borrowings refer to interest bearing liabilities.

- (a) Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.
- (b) Advances from government relates to the construction of the Convention Centre which was financed in the form of a loan with the Department of Jobs, Skills, Industry and Regions (DJSIR) with a value of \$227.7 million. A Loan Agreement was executed between MCET and DJSIR for a 25-year term at that time, at a fixed interest rate of 6.26% per annum, with a commencement date of 1 April 2009, maturing 31 March 2034.

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

On 19 May 2022, MCET was notified by DJSIR of the forgiveness of \$121.6 million in debt and a revision of loan schedule.

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

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

**Defaults and breaches:** 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
<b>30 June 2024</b>							
Lease liabilities	265	265	-	40	40	185	-
Advances from government	159,639	173,575	-	-	-	28,796	144,779
	<b>159,904</b>	<b>173,840</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>28,981</b>	<b>144,779</b>
<b>30 June 2023</b>							
Lease liabilities	133	133	-	26	80	27	-
Advances from government	157,848	173,575	-	-	-	28,796	144,779
	<b>157,981</b>	<b>173,708</b>	<b>-</b>	<b>26</b>	<b>80</b>	<b>28,823</b>	<b>144,779</b>

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

#### 6.1.2 Interest expense

	2024 \$'000	2023 \$'000
Interest on lease liabilities	20	19
Interest on advances from government	1,791	1,771
<b>Total interest expense</b>	<b>1,811</b>	<b>1,790</b>

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

### 6.2 Leases

Information about leases for which MCET is a lessee is presented below.

#### MCET leasing activities

MCET recognises the right-of-use on Siddeley Street Car Park under peppercorn lease arrangement with DJSIR. The lease contract was executed on 3 September 2010 on 25 years term with commencement date on 2 July 2012 and expiry date on 1 July 2037.

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

Leases of IT equipment are either short-term and or/leases of low-value items. MCET has elected not to recognise right-of-use assets and lease liabilities for these leases. At 30 June 2024, MCET was committed to short term leases and the total commitments at that date was \$268k (2023: \$683k). See commitments for expenditure in Note 6.4.

#### 6.2.1 Right-of-use Assets

Right-of-use assets are presented in Note 4.1.2.

**6.2.2 Amounts recognised in the comprehensive operating statement**

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

	2024 \$'000	2023 \$'000
Interest expense on lease liabilities	20	20
Expense relating to short term leases	36	72
Expense relating to leases of low-value assets	372	469
<b>Total amount recognised in the comprehensive operating statement</b>	<b>428</b>	<b>561</b>

**Amounts recognised in the Statement of Cashflows**

The following amounts are recognised in the Statement of Cashflows relating to leases:

	2024 \$'000	2023 \$'000
<b>Total amount recognised in the statement of cashflows</b>	<b>168</b>	<b>139</b>

**6.3 Cash flow information and balances**

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

	2024 \$'000	2023 \$'000
Cash on hand	10	17
Cash at bank	39,468	44,716
<b>Balance as per cash flow statement</b>	<b>39,478</b>	<b>44,733</b>

**6.3.1 Reconciliation of net result for the period to cash flow from operating activities**

	2024 \$'000	2023 \$'000
<b>Net result for the period</b>	<b>(44,792)</b>	<b>(32,604)</b>
<b>Non-cash movements</b>		
Depreciation of non-current assets	39,462	41,042
(Gain)/loss on sale or disposal of non-financial assets	(33)	16
Write down of Capital Projects	201	-
<b>Movements included in investing and financing activities</b>		
Interest on advances from government	1,791	1,771
<b>Net change in assets and liabilities</b>		
(Increase)/decrease in receivables	(4,289)	121
(Increase)/decrease in inventories	(65)	(287)
(Increase)/decrease in other assets	(1,044)	735
(Decrease)/increase in payables	(2,710)	3,821
(Decrease)/increase in contract liabilities	5,665	1,302
(Decrease)/increase in provisions	421	546
<b>Net cash flows from/(used in) operating activities</b>	<b>(5,393)</b>	<b>16,463</b>

## 6.4 Commitments for expenditure

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

### 6.4.1 Total commitments payable

	Less than 1 year \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
<b>2024</b>				
Short-term and low value lease commitments payable	203	65	-	268
Other commitments payable	4,592	19,803	26,797	51,192
<b>Total commitments (inclusive of GST)</b>	<b>4,795</b>	<b>19,868</b>	<b>26,797</b>	<b>51,460</b>
Less GST recoverable from Australian Tax Office				(4,678)
<b>Total commitments (exclusive of GST)</b>				<b>46,782</b>
<b>2023</b>				
Short-term and low value lease commitments payable	416	267	-	683
Other commitments payable	4,420	19,060	31,710	55,190
<b>Total commitments (inclusive of GST)</b>	<b>4,836</b>	<b>19,327</b>	<b>31,710</b>	<b>55,873</b>
Less GST recoverable from Australian Tax Office				(5,079)
<b>Total commitments (exclusive of GST)</b>				<b>50,794</b>

## 7. Risks, contingencies and valuation judgements

MCET 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 MCET 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.

#### Categories of financial assets

##### Financial assets at amortised cost

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

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

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

MCET recognises the following assets in this category:

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

#### Categories of financial liabilities

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

MCET recognises the following liabilities in this category:

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

#### Derecognition of financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the assets have expired
- MCET retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- MCET has transferred its right to receive cash flows from the asset and either:
  - has transferred substantially all the risks and reward of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

**Derecognition of financial liabilities**

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

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

**Reclassification of financial instruments**

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

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

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

**7.1.1 Financial instruments: categorisation**

	Cash and deposits \$'000	Financial assets at amortised cost \$'000	Contractual financial liabilities – at amortised cost \$'000	Total \$'000
<b>2024</b>				
<b>Contractual financial assets</b>				
Cash and deposits	39,478	-	-	39,478
Investments and other financial assets	-	-	-	-
Receivables	-	11,392	-	11,392
<b>Total contractual financial assets</b>	<b>39,478</b>	<b>11,392</b>	<b>-</b>	<b>50,870</b>
<b>Contractual financial liabilities</b>				
Payables	-	-	9,508	9,508
Borrowings	-	-	159,904	159,904
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>169,412</b>	<b>169,412</b>
<b>2023</b>				
<b>Contractual financial assets</b>				
Cash and deposits	44,733	-	-	44,733
Investments and other financial assets	-	2,000	-	2,000
Receivables	-	6,882	-	6,882
<b>Total contractual financial assets</b>	<b>44,733</b>	<b>8,882</b>	<b>-</b>	<b>53,615</b>
<b>Contractual financial liabilities</b>				
Payables	-	-	11,189	11,189
Borrowings	-	-	157,981	157,981
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>169,170</b>	<b>169,170</b>

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, MCET'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.

MCET's main financial risks include credit risk and liquidity.

**(a) Credit risk**

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

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

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

**Impairment of financial assets**

MCET records the allowance for expected credit loss for the relevant financial instruments in accordance with AASB 9 Expected Credit Loss approach. Subject to AASB 9 impairment assessment include MCET's contractual receivables and statutory receivables.

**Contractual receivables at amortised cost**

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

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

**Contractual receivables at amortised cost (Continued)**

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

	Current	1-30 days	31-60 days	61-90 days	90-120 days	120+ days	Total
<b>30 June 2024</b>							
Expected loss rate	0.27%	0.42%	1.47%	3.98%	7.63%	5.39%	
<b>30 June 2023</b>							
Expected loss rate	0.36%	0.53%	1.79%	5.57%	10.71%	6.69%	
Gross carrying amount of contractual receivables (\$'000)	3,574	2,285	400	237	42	266	<b>6,804</b>
<b>Loss allowance (\$'000)</b>	<b>(10)</b>	<b>(10)</b>	<b>(6)</b>	<b>(9)</b>	<b>(3)</b>	<b>(14)</b>	<b>(52)</b>
Gross carrying amount of contractual receivables (\$'000)	3,460	1,518	297	23	58	33	<b>5,389</b>
<b>Loss allowance (\$'000)</b>	<b>(13)</b>	<b>(8)</b>	<b>(5)</b>	<b>(1)</b>	<b>(6)</b>	<b>(13)</b>	<b>(46)</b>

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

	2024 \$'000	2023 \$'000
Balance at beginning of the year	(46)	(74)
Decrease in provision due to transfers out	(3)	72
Amounts written off during the year as uncollectable	49	2
Increase in provision recognised in the net result	(52)	(46)
<b>Balance at end of the year</b>	<b>(52)</b>	<b>(46)</b>

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

**Statutory receivables at amortised cost**

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

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

**(b) Liquidity risk**

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

MCET manages its liquidity risk by closely monitoring future cash flows to ensure adequate holding of high-quality liquid assets.

**(c) Market risk**

MCET'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. MCET is not exposed to interest rate risk in relation to the loan with DJSIR 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. MCET has minimal exposure to cash flow interest rate risks through cash and deposits.

## Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000
<b>2024</b>					
<b>Financial assets</b>					
Cash and deposits	4.40	39,478	-	39,468	10
Investments		-	-	-	-
Receivables <sup>(a)</sup>		11,392	-	-	11,392
<b>Total financial assets</b>		<b>50,870</b>	<b>-</b>	<b>39,468</b>	<b>11,402</b>
<b>Financial liabilities</b>					
Payables <sup>(a)</sup>		9,508	-	-	9,508
Borrowings	1.13	159,639	159,639	-	-
<b>Total financial liabilities</b>		<b>169,147</b>	<b>159,639</b>	<b>-</b>	<b>9,508</b>
<b>2023</b>					
<b>Financial assets</b>					
Cash and deposits	3.06	44,733	-	44,716	17
Investments	4.35	2,000	-	2,000	-
Receivables <sup>(a)</sup>		7,050	-	-	7,050
<b>Total financial assets</b>		<b>53,783</b>	<b>-</b>	<b>46,716</b>	<b>7,067</b>
<b>Financial liabilities</b>					
Payables <sup>(a)</sup>		11,189	-	-	11,189
Borrowings	1.13	157,848	157,848	-	-
<b>Total financial liabilities</b>		<b>169,037</b>	<b>157,848</b>	<b>-</b>	<b>11,189</b>

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

## 7.2 Contingent assets and contingent liabilities

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

MCET has no contingent assets or contingent liabilities to disclose at the date of this report (2023: \$0 million).

## 7.3 Fair value determination

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 MCET.

This section sets out information on how MCET 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, cultural assets are carried at fair value.

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

## Fair value hierarchy

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

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

MCET 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 MCET's independent valuation agency. MCET, 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 non-financial physical assets

	Carrying amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Year ended 30 June 2024</b>				
Land at fair value				
Specialised land	372,372	-	-	372,372
Non-specialised land	16,400	-	16,400	-
<b>Total of land at fair value</b>	<b>388,772</b>		<b>16,400</b>	<b>372,372</b>
Buildings at fair value				
Specialised buildings	545,989	-	-	545,989
Non-specialised buildings	3,315	-	3,315	-
<b>Total of buildings at fair value</b>	<b>549,304</b>		<b>3,315</b>	<b>545,989</b>
Plant and equipment at fair value				
Plant and equipment	10,320	-	-	10,320
<b>Total of plant and equipment at fair value</b>	<b>10,320</b>			<b>10,320</b>
Cultural assets at fair value				
Artworks	632	-	632	-
<b>Total of cultural assets at fair value</b>	<b>632</b>		<b>632</b>	
Infrastructure at fair value				
Bridge	11,980	-	-	11,980
<b>Total of infrastructure assets at fair value</b>	<b>11,980</b>			<b>11,980</b>

Carrying amount \$'000	Fair value measurement at end of reporting period using:		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000

**Year ended 30 June 2023**

Land at fair value				
Specialised land	425,500	-	-	425,500
Non-specialised land	16,400	-	16,400	-
<b>Total of land at fair value</b>	<b>441,900</b>		<b>16,400</b>	<b>425,500</b>
Buildings at fair value				
Specialised buildings	514,264	-	-	514,264
Non-specialised buildings	4,003	-	4,003	-
<b>Total of buildings at fair value</b>	<b>518,267</b>		<b>4,003</b>	<b>514,264</b>
Plant and equipment at fair value				
Plant and equipment	10,839	-	-	10,839
<b>Total of plant and equipment at fair value</b>	<b>10,839</b>			<b>10,839</b>
Cultural assets at fair value				
Artworks	1,282	-	1,282	-
<b>Total of cultural assets at fair value</b>	<b>1,282</b>		<b>1,282</b>	
Infrastructure at fair value				
Bridge	10,331	-	-	10,331
<b>Total of infrastructure assets at fair value</b>	<b>10,331</b>			<b>10,331</b>

There were no changes in valuation techniques throughout the period to 30 June 2024. For all assets measured at fair value, the current use is considered the highest and best use.

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

In financial year ending 30 June 2024 as a full revaluation was not required, a fair value assessment was performed to assess whether the asset's carrying value still materially reflects its fair value. Fair value assessments for land, buildings and infrastructure were determined using separate annual indices for land and buildings supplied by Valuer-General Victoria, and for infrastructure supplied by Road and bridge construction Victoria (Australian Bureau of Statistics) as noted in 4.1.1. As a result, a managerial revaluation was carried out to revalue land, buildings and infrastructure to fair value. The valuation of buildings has increased cumulatively by 12.13%, the valuation of land has decreased cumulatively by 12.49% and the valuation of infrastructure has increased 20.8% since they were last revalued in 2021. The next scheduled full revaluation for this purpose group will be conducted in 2026.

**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. A revaluation was performed for artwork for the financial period ending at 30 June 2024.

The fair value of cultural assets was determined with reference to an independent valuation performed in January 2024 by Sophie Ullin Art Advisory (approved Valuer for the Australian Government's Cultural Gifts Program) based on resale value of the works.

**Plant and equipment**

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

They are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use.

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

**7.3.2 Reconciliation of Level 3 fair value movements**

	Plant and equipment \$'000	Specialised Buildings \$'000	Specialised Land \$'000	Infrastructure Assets \$'000
<b>Year ended 30 June 2024</b>				
<b>Opening balance</b>	<b>10,839</b>	<b>514,264</b>	<b>425,500</b>	<b>10,331</b>
Purchases (sales)	(2,035)	41	-	-
Transfers in/(out) of level 3	-	-	-	-
Depreciation	1,516	(34,783)	-	(413)
<b>Subtotal</b>	<b>10,320</b>	<b>479,522</b>	<b>425,500</b>	<b>9,918</b>
Revaluation	-	66,467	(53,128)	2,062
<b>Closing balance</b>	<b>10,320</b>	<b>545,989</b>	<b>372,372</b>	<b>11,980</b>
<b>Year ended 30 June 2023</b>				
<b>Opening balance</b>	<b>13,989</b>	<b>549,044</b>	<b>425,500</b>	<b>10,744</b>
Purchases (sales)	(4,887)	-	-	-
Transfers in/(out) of level 3	-	-	-	-
Depreciation	1,737	(34,780)	-	(413)
<b>Subtotal</b>	<b>10,839</b>	<b>514,264</b>	<b>425,500</b>	<b>10,331</b>
Revaluation	-	-	-	-
<b>Closing balance</b>	<b>10,839</b>	<b>514,264</b>	<b>425,500</b>	<b>10,331</b>

**7.3.3 Description of significant unobservable inputs to level 3 valuations**

	Valuation technique	Significant unobservable inputs
<b>Plant and equipment</b>	Current replacement cost	<ul style="list-style-type: none"> <li>Useful life of plant and equipment</li> <li>Cost per unit</li> </ul>
<b>Specialised buildings</b>	Current replacement cost	<ul style="list-style-type: none"> <li>Useful life of buildings</li> <li>Direct cost per square metre</li> </ul>
<b>Specialised land</b>	Market approach	<ul style="list-style-type: none"> <li>Community service obligation (CSO) adjustment</li> </ul>
<b>Infrastructure assets*</b>	Current replacement cost	<ul style="list-style-type: none"> <li>Useful life of the infrastructure</li> <li>Cost per square unit</li> </ul>

\*Significant unobservable inputs have remained unchanged since June 2023.

**8. Other disclosures**

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

**8.1 Other economic flows included in net result**

	2024 \$'000	2023 \$'000
<b>(a) Net gain/(loss) on non-financial assets</b>		
Net gain/(loss) on disposal of property plant and equipment	33	(16)
<b>Total net gain/(loss) on non-financial assets</b>	<b>33</b>	<b>(16)</b>
<b>(b) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from movement in long service leave liability	(419)	(570)
<b>Total other gains/(losses) from other economic flows</b>	<b>(419)</b>	<b>(570)</b>

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.

**8.2 Physical asset revaluation surplus**

	2024 \$'000	2023 \$'000
Balance at beginning of the year	419,966	419,966
Revaluation increments	14,751	-
<b>Balance at end of the year</b>	<b>434,717</b>	<b>419,966</b>
<b>Represented by</b>		
	2024 \$'000	2023 \$'000
Land	325,762	378,890
Buildings	95,037	28,571
Infrastructure	13,484	11,421
Cultural assets	434	1,084
<b>Physical asset revaluation surplus</b>	<b>434,717</b>	<b>419,966</b>

### 8.3 Responsible persons

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

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

Minister for Tourism, Sport and Major Events	The Hon. Steve Dimopolous	1 July 2023 to 30 June 2024
Chairperson – Governing Board	The Hon. John Brumby AO	1 July 2023 to 30 June 2024
Governing Board	Mr Michael Burn	1 July 2023 to 30 June 2024
Governing Board	Mr Charles Donnelly	1 July 2023 to 30 June 2024
Governing Board	Ms Diana Taylor AM	1 July 2023 to 30 June 2024
Governing Board	Mr Peter Jones AM	1 July 2023 to 30 June 2024
Governing Board	Ms Virginia Lovett	1 July 2023 to 30 June 2024
Governing Board	Ms Sujata Stead	1 July 2023 to 30 June 2024
Chief Executive	Ms Natalie O'Brien AM	1 July 2023 to 30 June 2024

Remuneration received or receivable by the Accountable Officer in connection with the management of MCET during the reporting period was in the range: \$500,000-\$509,999 (2023: \$540,000 - \$549,999).

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

### 8.4 Remuneration of senior executives

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

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

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

Remuneration of executive officers	Total remuneration	
	2024 \$'000	2023 \$'000
Short-term employee benefits	1,165	1,322
Post-employment benefits	191	185
Other long-term benefits	21	23
Termination benefits	257	-
<b>Total remuneration</b>	<b>1,634</b>	<b>1,530</b>
<b>Total number of executives</b>	<b>6</b>	<b>4</b>
<b>Total annualised employee equivalents<sup>(a)</sup></b>	<b>3.53</b>	<b>4.00</b>

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

### 8.5 Related parties

Related parties of MCET 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.

#### 8.5.1 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 MCET, during the year, MCET engaged in the following government-related entity transactions:

#### (a) Revenue

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

Government entity	2024 \$'000
Department of Jobs, Skills, Industry and Regions (DJSIR)	390
Caulfield Grammar School	343
Major Road Projects Victoria	315
Australia New Zealand Policing Advisory Agency (ANZPAA)	231
Department of Education	231
Department of Health Victoria	184
Mentone Grammar School	183
Australian Health Practitioner Regulation Agency (AHPRA)	176
Melbourne Health	152
<b>Total</b>	<b>2,205</b>

There were 21 Victorian Government entities that hosted events or used the Centre's services with revenue individually less than \$100K. In aggregate, the revenue from these transactions totalled \$2.8 million. At financial year end there was \$17k owing from Victorian Government entities. This balance is owed by two different entities.

#### (b) Services received

MCET has received services from the following Victorian Government entities:

#### Department of Transport and Planning (DTP)

Transactions with DTP total \$11.9 million and relate to:

- Costs associated with quarterly service payments including, facility management costs (\$4.4 million), insurance (\$214k) and reconfiguration costs (\$153k)
- Event cleaning (\$4 million)
- State initiated modifications (\$1.5 million) – costs associated with an increase to the quarterly service payment due to purchase and installation of infrastructure and equipment that has ongoing lifecycle and maintenance costs
- Reviewable services (\$1.7 million) – quarterly service payment for cleaning and security services per the MCCD Project Agreement.

Total amount payable to DTP at financial year-end was \$3.1 million.

**Department of Jobs, Skills, Industry and Regions (DJSIR)**

Transactions with DJSIR total \$1.1 million and relate to efficiency savings passed back to DJSIR totalling \$1.0 million.

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

DJSIR has entered into a Public Private Partnership (PPP) arrangement with Plenary Conventions Pty Ltd to design and build the Melbourne Convention and Exhibition Centre. There is a detailed Service Specification that governs Plenary's delivery of the Contracted Services and is documented as a Schedule to the primary contract between the State and Plenary. Group 1 (infrastructure), 2 (fixed equipment) and 3 (loose furniture and equipment of an estimated lifespan of greater than 10 years) assets are maintained by Plenary Group. In accordance with AASB1058 Income of Not-for-Profit Entities, MCET records the expenses and revenue of the PPP arrangement, but there are no direct transactions between the entities for these costs. Since September 2024, DTP has replaced DJSIR as the party to which payments for the PPP arrangement are made to.

**State Revenue Office (SRO)**

Transactions with SRO total \$1.0 million. These relate to congestion levy for the Siddeley Street and Montague Street car parks.

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

**South East Water Ltd**

Transactions with South East Water Ltd total \$447k and relate to utilities.

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

**Victorian Managed Insurance Authority (VMIA)**

Transactions with VMIA total \$376k and relate to MCET's insurance policies.

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

**8.5.2 Key management personnel (KMP's)**

Key management personnel of MCET includes all responsible persons as outlined in Note 8.3 and the below members of the Executive Team.

Chief Financial Officer	Mr Stuart Davies	1 July 2023 to 29 February 2024
Chief Operating Officer	Ms Helen Fairclough	1 July 2023 to 30 June 2024
Chief People Officer	Ms Amanda Wilson	1 July 2023 to 30 June 2024
Chief Sales & Customer Experience Officer	Ms Angie Becker	11 January 2024 to 30 June 2024
Chief Information Officer	Mr David Hains	5 February 2024 to 30 June 2024

	2024 \$'000	2023 \$'000
<b>Compensation of key management personnel</b>		
Short-term employee benefits	1,877	2,126
Post-employment benefits	191	185
Other long-term benefits	21	23
Termination benefits	257	132
<b>Total<sup>(a)</sup></b>	<b>2,346</b>	<b>2,466</b>

(a) The KMP's are also reported in the disclosure of remuneration of executive officers (Note 8.4).

**8.5.3 Transactions and balances with key management personnel**

There were no related party transactions involving key management personnel, their close family members and their personal business interests that exceeded \$100k in FY24.

**8.6 Remuneration of auditors**

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

	2024 \$'000	2023 \$'000
Payable as at 30 June	50	48
<b>Total</b>	<b>50</b>	<b>48</b>

**8.7 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 MCET.

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

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

**Foreign currency balances/transactions**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

**8.8 Subsequent events**

No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

**8.9 Australian Accounting Standards that are not yet effective**

As at 30 June 2024, the following AASs have been issued by the AASB but are not yet effective and may have an impact on MCET. 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 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.	This standard amends AASB 13 Fair Value Measurement by adding authoritative guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.	1 January 2024	The management is to complete assessment of the impact and the investigation is currently underway.

## 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 DJSIR.

### Cash and deposits

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

### Comprehensive result

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

### Commitments

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

### Depreciation

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

### Employee expenses

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

### Ex gratia expenses

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

### Financial asset

A financial asset is any asset that is:

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

### Financial liability

A financial liability is any liability that is:

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

### Financial statements

A complete set of financial statements comprising:

- (a) a balance sheet as at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

### Grants

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

### Interest expense

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

### Interest income

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

### Investments

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

**Leases**

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

**Net acquisition of non-financial assets (from transactions)**

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

**Net result**

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

**Net result from transactions/net operating balance**

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

**Net worth**

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

**Non-financial assets**

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

**Operating result**

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

**Other economic flows included in net result**

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

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

**Other economic flows – other comprehensive income**

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

- changes in physical asset revaluation surplus.

**Other income**

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

**Payables**

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

**Receivables**

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

**Sale 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 MCET.

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

### Report of operations

Charter and purpose	Page
FRD22 Manner of establishment and the relevant Minister	5
FRD22 Purpose, functions, powers and duties	6
FRD8 Departmental objectives, indicators and outputs	7
FRD22 Key initiatives and projects	7
FRD22 Nature and range of services provided	30
<b>Management and structure</b>	
FRD22 Organisational structure	15
<b>Financial and other information</b>	
FRD10 Disclosure index	76
FRD22 Occupational health and safety policy	21
FRD22 Summary of the financial results for the year	13
FRD22 Significant changes in financial position during the year	40
FRD22 Major changes or factors affecting performance	40
FRD22 Subsequent events	71
FRD22 Application and operation of <i>Freedom of Information Act 1982</i>	24
FRD22 Compliance with building and maintenance provisions of <i>Building Act 1993</i>	25
FRD22 Statement on <i>National Competition Policy</i>	25
FRD22 Application and operation of the <i>Public Interest Disclosure Act 2012</i>	25
FRD22 Details of consultancies over \$10,000	22
FRD22 Details of consultancies under \$10,000	22
FRD22 Disclosure of ICT expenditure	22
FRD22 Statement of availability of other information	30
FRD24 Environmental impacts	26
FRD25 Victorian Industry Participation Policy disclosures	22
FRD22 Disclosure of procurement complaints	26
FRD22 Reviews and studies expenditure	23
FRD22 Asset Management Accountability Framework maturity assessment	31
<b>Compliance attestation and declaration</b>	
SD5.1.4 Attestation for compliance with Ministerial Standing Direction	30
SD5.2.3 Declaration in report of operations	5

### Financial statements

Declaration	Page
SD5.2.2 Declaration in financial statements	33
<b>Other requirements under Standing Directions 5.2</b>	
SD5.2.1(a) Compliance with Australian accounting standards and other authoritative pronouncements	40
SD5.2.1(a) Compliance with Ministerial Directions	40
<b>Other disclosures as required by FRDs in notes to the financial statements</b>	
FRD21 Disclosure of responsible persons, executive officers and other personnel	68
FRD103 Non-financial physical assets	49
FRD110 Cash flow statements	38
<b>Legislation</b>	
<i>Freedom of Information Act 1982</i>	24
<i>Building Act 1993</i>	25
<i>Public Interest Disclosure Act 2012</i>	25
<i>Victorian Industry Participation Policy Act 2003</i>	22
<i>Disability Act 2006</i>	25
<i>Financial Management Act 1994</i>	30

**MELBOURNE  
CONVENTION  
EXHIBITION  
TRUST**