

# Melbourne Convention and Exhibition Trust

Annual Report  
2022–2023

## 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.

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### Melbourne Convention and Exhibition Trust

Wurundjeri Woi Wurrung Country  
1 Convention Centre Place  
South Wharf Victoria  
Australia 3006

T +613 9235 8000

F +613 9235 8001

ABN 17 434 286 169

[mcec.com.au](http://mcec.com.au)

# Chairperson's foreword

In accordance with the *Financial Management Act 1994*, I am pleased to provide the Melbourne Convention and Exhibition Trust (the Trust) Annual Report for the year ended 30 June 2023.

This report provides consolidated information on the activities of the Trust in its operation of Melbourne Convention and Exhibition Centre (MCEC) and its planning for future operation of Nyaal Banyul Geelong Convention and Event Centre, opening in 2026.

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

2022-23 was our first full year of operation since the pandemic and we continued to see demand for in-person events, leading to a faster than anticipated business recovery. While this return was very positive, the prolonged effect of the pandemic on global workforce trends meant we encountered resourcing challenges which, in turn, limited our ability to take full advantage of the demand.

From 1 July 2022 until 30 June 2023, MCEC recorded revenue from the sale of goods and services of \$89 million which was 87% ahead of budget and 128% ahead of revenue recorded in 2021-22. While it was pleasing to see revenue ahead of budget for the year, this was in part due to conservative targets, as we anticipated a slower return to pre-pandemic revenue levels. In addition, inflationary cost pressure put considerable strain on our overall delivery margin.

Like many other businesses across the event and hospitality industries, Victoria's strong economy and demand for labour meant that MCEC struggled to fully resource events as we saw demand for in-person events return strongly. Such challenges highlighted the need to prioritise employee wellbeing and build back workforce capability to ensure healthy delivery of events into the future.

With a robust and future focused recruitment plan in place throughout the year, we were happy to see our workforce numbers stabilise in 2023 as we successfully hired 619 new team members, restoring our workforce to 90% of pre-pandemic numbers.

Despite these challenges MCEC continues to strengthen its position, achieving our largest month on record. In May, we hosted 76 events and 89,000 visitors, on par with record months

prior to the pandemic in 2019.

MCEC was excited to welcome a diverse range of national, local and international events across the year. In total, we hosted 694 events at the venue, an increase from 346 events the previous year due to the centre only reopening in November 2021.

The events that occurred in 2022-23 included:

- 21 international meetings, conferences and exhibitions
- 70 national meetings, conferences and exhibitions
- 124 local meetings, conferences and exhibitions
- 79 concerts and ticketed events

Over the year, events held at MCEC attracted 787,357 delegates, 377,085 of whom visited with the purpose of attending an exhibition. Our concerts and ticketed events attendees more than doubled from the previous year with 273,598 visiting the centre for this purpose. In total, we welcomed over 2.6 million visitors to the venue, including members of the public visiting our cafes and facilities.

A total of 34,610 international delegates (187,900 delegate days) and 752,747 national delegates (1,373,318 delegate days) attended conferences and exhibitions held at MCEC in 2022-23.

Significant events hosted during 2022-23 included:

- Rotary International Convention
- 4th Biennial International Childhood Trauma Conference
- XX International Sociological Association (ISA) World Congress of Sociology
- 7th Global Botanic Gardens Congress
- International Congress on Obesity (ICO 2022)
- Australian Information Security Association National Conference 2022
- 5th International Trade Union Confederation (ITUC) World Congress
- Cisco Live 2022
- Growth Faculty Presents Business Leaders Lunch with President Obama
- United Nations International Women's Day Lunch
- *Monet & Friends*, THE LUME Melbourne
- *Connection*, THE LUME Melbourne
- Asia Pacific Incentives and Meetings Event (AIME) 2023
- Good Friday Appeal
- Bluesfest
- National Aborigines and Islanders Day Observance Committee (NAIDOC) Ball 2022

- Victorian Multicultural Commission Multicultural Gala Dinner
- SpineWeek 2023
- Harm Reduction Conference (HR23)
- Reed Gift Fairs
- Australian Gift and Homewares Association (AGHA) Gift Fair
- Fine Food
- Penny Arcade Expo (PAX) Australia
- International Air Transport Association (IATA) Slot Conference

Collectively, these events and many more generated \$805 million in economic impact for the State of Victoria in the 2022-23 year. Beyond economic impact, many of these events will have legacies that will be felt over future years. The events we host promote dialogue on important issues, contribute to Victoria's point of difference, attract interest and investment in our region, and can lead to breakthrough research or leading social policies.

The Trust continued its partnership with the Melbourne Convention Bureau (MCB) to attract new international business to the City of Melbourne. In collaboration with MCB and the Victorian Chamber of Commerce and Industry, we were proud to announce that Melbourne will host the 14th World Chambers Congress. Arriving in September 2025, MCEC will be home to one of the world's largest business events, bringing together more than a thousand of the world's leading business chamber leaders.

The Trust continued to manage the Club Melbourne Ambassador Program which supports experts and thought leaders 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 2022-23, 28 Club Melbourne Ambassadors were involved in more than half of all future international conferences secured for Melbourne and to be held at MCEC in collaboration with MCB. Additionally, there are 13 Ambassador-linked bids currently in the pipeline for events in 2023-24 and beyond.

MCEC continues to focus on building a strong network of partners and entered two new industry partnerships in 2022-23. We were proud to partner with The Startup Network (formerly Startup Victoria) to provide a forum for sharing experiences and expertise, and inform potential products and services that help to shape the MCEC customer experience. Additionally, we partnered with the Victorian Tourism Industry Council (VTIC) to collaborate on opportunities to support the tourism and business events sector, including sponsorship of the Melbourne Tourism

Leaders Program and the now annual Vision Summit.

Progressing towards the targets in our five-year sustainability strategy, MCEC launched our reusable cup program in 2022-23, with an objective to save up to one million disposable cups annually. This marked a key milestone towards our goal of eliminating single-use plastic and diverting 90% of our waste from landfill by 2025. Further adding to this target, MCEC continued to donate excess food to community partner, OzHarvest, rescuing 8,738kgs of food from going to landfill and providing the equivalent of 17,476 meals for those in need.

This year, MCEC entered a new community partnership with the Yarra Riverkeeper Association, an organisation that represents and protects the Birrarung (Yarra River) that runs along the length of the centre. As a Platypus Partner, we aim to create stronger community connections and collaborate for a more sustainable future for the river and those alongside it, through awareness and employee engagement activities.

MCEC was also proud to sponsor over \$2.2 million of in-kind value for community organisations in 2022-23. This included hosting the Good Friday Appeal Kids Day Out for the ninth year, raising a record-breaking \$23 million in funding for the Royal Children's Hospital in Melbourne.

With a clear focus on reinvigorating our workforce and ensuring a safe and welcoming workplace for all, MCEC launched our first Inclusion and Diversity Framework in early 2023. This framework prioritises gender equality, accessibility, and First Nations reconciliation. So far, our renewed focus has led to the successful receipt of State funding towards a Changing Places facility and registration to commence our Reconciliation Action Plan journey.

MCEC continued to support progress on the future convention centre in Geelong. This included supporting a comprehensive and rigorous tender process to select the preferred bidder of the centre with the announcement in the new financial year. Nyaal Banyul Geelong Convention and Event Centre will be operated by the Trust and will drive growth and economic impact in Geelong and the surrounding regions.

During the year, Sandra Anderson and Jonathan Metcalfe exited the Trust. I would like to recognise and thank them for their outstanding contributions over the course of their tenure and wish them well as they continue in their careers.

To fill the vacant positions, I was pleased to welcome three influential leaders, Peter Jones AM, Virginia Lovett, and Sujata Stead to the Trust. I have no doubt their expertise will further bolster the already considerable experience of the group and look forward to working with them in due course.

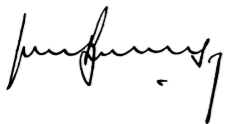
After an extensive global recruitment process, Natalie O'Brien AM was announced as the new Chief Executive of MCEC, following the departure of Peter King at the end of 2022. As the former CEO of Food and Wine Victoria and previous interim CEO for Ballarat Regional Tourism, Natalie brings a wealth of leadership experience in the tourism and events industry.

Natalie joined the business at a crucial time as we continue to recover from the impacts of the pandemic and look toward building the business for the future, including planning for the operation of the future convention centre in Geelong. Towards the end of the financial year, Natalie embarked on a renewal of MCEC's business strategy that will inform our future corporate plan and annual report.

The year has been one of challenge and immense change for both our organisation and the industry. I would like to thank my fellow Trust members, the Executive and the whole MCEC team who have steered the business towards recovery after what were a few difficult years. I also want to extend my personal thanks to Peter King, outgoing Chief Executive for his considerable contributions over the last 11 years, and welcome Natalie O'Brien AM as our new Chief Executive.

I would 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 for their support and collaboration throughout the year.

It's incredibly pleasing to see that we have overcome our workforce challenges to drive the success of MCEC. I'm excited about the future as we continue to nurture our teams, focus on building business capability, and have a continued impact on our local community and the State of Victoria.



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

# Report of operations

## History and background

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

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

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

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

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

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

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

## Year in review

### Our purpose

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

### Our vision

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

### Strategic pillars

#### Our people

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

#### Our customers

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

#### Our business

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

#### Our impact

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

2022-23 was our first full year back in operation with a strong demand for events previously rescheduled due to the pandemic. Our strategy considered how we continue to meet our objectives in an environment where lead times were reduced, events and hospitality sectors suffered workforce shortages, and our customers' expectations changed.

Throughout the latter half of 2022-23, the leadership team commenced a review of MCEC's strategic plan. As this work was not yet completed at close of financial year, the above reflects the business strategy in place throughout most of the fiscal period.

## Purpose and functions

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

- a. the development, promotion, management, operation and use of convention and exhibition facilities and services in the State of Victoria, including the use of those facilities and services for entertainment purposes.
- b. with the approval of the Minister, the development, promotion, management, operation and use of tourism or hospitality facilities and services in the State of Victoria, including the use of those facilities and services for entertainment purposes.
- c. the development, promotion, management, operation and use of facilities and services for the parking of vehicles to be used in conjunction with any of the Trust's facilities.
- d. with the approval of the Minister, and for such a period as is approved by the Minister, the promotion, management, operation and use of:
  - i) the Royal Exhibition Building
  - ii) any part of the exhibition land that the Trust reasonably requires in conjunction with the use of the Royal Exhibition Building subject to any agreement or arrangement between the Trust and the Museums Board of Victoria
- e. any other matter authorised by the Act.

## Objectives, indicators and outputs

Four strategic pillars have been established to ensure that MCEC delivers on its purpose. During FY23, with new leadership in place, a review of that purpose, mission and vision commenced. While this has since been realigned and released, the four pillars remain the same.

### Strategic priority one

#### Our people

MCEC has continued to recover and re-establish our workforce to support growth and future strategic direction. Our workforce had a strong return this year, as we hired over 619 new team members, bringing our employee pool back to 90% of pre-pandemic levels.

We continued to prioritise and support career development and growth of our existing MCEC team. In direct response to employee feedback, the People and Culture team ran Mastery Months in January and April. These months were dedicated to technical training, equipment upskilling and leadership development for employees to enhance skills required for new and existing roles.

We supported 56 of our casual team members to become permanent employees and 120 employees took on new career opportunities by transferring roles or being promoted internally. Additionally, a review of the current leadership and organisational structure was conducted in the later part of the year, to ensure the business is best placed for future success.

In December, an Inclusion and Diversity Advisor was appointed to drive and hold us accountable for our commitment to making MCEC an inclusive and diverse place to work.

We then launched our first Inclusion and Diversity Framework in January. The key areas of focus in this strategy are our Gender Equality Action Plan (GEAP), Reconciliation Action Plan (RAP), and Accessibility Action Plan.

In April, we submitted our registration to begin MCEC's first RAP and continued regular communication and in-person events that focused on equality, intersectionality and reconciliation. Employees were invited to participate in working groups that will support the ongoing action and commitments made.

Safety of employees remained a priority as MCEC achieved a lost time frequency injury rate (LTFIR) of 3.6 for the year. This equated to 177 productive employee days lost due to injury

(including injury sustained before 2022-23), well below our annual target of LTFIR under 10.

To continue improving MCEC's employer brand and retain existing talent, the People and Culture team conducted an evaluation of reward and recognition practices. They engaged a diverse group of employees to provide feedback and inform recommendations for improvement. The recommendations included a commitment to five annual employee events that celebrate MCEC's diverse employee community, recognition of long tenure starting at five years (previously recognised from ten), and celebration to be included in the company values. The three recommendations will be implemented as part of the new business strategy in 2023-24.

Celebrating the significance of long tenure, 17 employees were recognised at MCEC's Annual Service Awards in March. 15 received recognition for over ten years and two employees were recognised for over 20 years of service.

In the wake of the pandemic, MCEC partnered with Grande Experiences to launch THE LUME Melbourne. Meetings and Events Australia (MEA) awarded MCEC's talented culinary team the Victorian and National Banqueting and Catering Award. The award recognised the incredible, bespoke retail and catering menus designed exclusively to pair with experiences at THE LUME Melbourne.

In June, MCEC's Executive Pastry Chef, Alessandro Bartesaghi competed and emerged victorious in the Asia-Pacific Global Pastry Chef Challenge. Alessandro's creative dessert recipe won the competition and will see him attend the 2024 global championship in Singapore.

### Strategic priority two

#### Our customers

The industry returned in full force as MCEC welcomed over 2.6 million visitors to the centre this year.

As a co-host of the Rotary International Convention in May, MCEC enhanced Melbourne's mega month with 14,000 Rotarians visiting the city, contributing over \$91 million in economic benefit to the State. MCEC also delivered a record-breaking month with a total of 89,000 visitors bringing in \$12 million in revenue.

February saw us welcome back 3,000 visitors for Asia Pacific Incentive and Meetings Event (AIME) with international visitors from our key training partners across Asia Pacific. Later that month, we catered the biggest food and beverage week in the centre's history, serving over 14,000 people in a single week.

In April, MCEC championed one of the largest weekends of back-to-back events in our history as we hosted both the Good Friday Appeal and the first ever Melbourne Bluesfest over the Easter long weekend. Beginning on Good Friday, the Good Friday Appeal Kids Day Out took over 18 exhibition bays covering 55,000 square metres and saw over 102,000 visitors through the doors. Then, 360 employees from across the business worked through the night to transform the venue into an indoor music festival for 10,000 music enthusiasts by Easter Saturday morning. Achieving this was both challenging and complex, but a wonderful success story of collaboration to achieve the best result for both customers.

In early October, we saw the return of Penny Arcade Expo (PAX), Australia's biggest gaming festival that welcomed over 80,000 visitors to MCEC across one single weekend.

We also launched our new, digitalised customer feedback program that streamlined our collection of feedback. The program provides MCEC with a robust understanding of how our services meet customer expectations and where opportunities exist for improvement. Additionally, a centralised program helps the business monitor and quickly act on feedback to improve the customer experience overall.

MCEC previously introduced two cross-functional groups to enhance the way we work with our customers and event organisers. This year, we continued to refine the composition and structure of these groups in line with feedback, with the aim of enhancing customer service and ensuring a more efficient workflow. The groups have implemented efficiencies and over ten process changes that have allowed a more personalised level of support to our customers.

A key example of this is the introduction of a one-page roadmap that serves as an accessible and comprehensive guide for customers to follow and plan their events. Previously, customers needed to wait to be guided by an event planner, rather than leading with self-directed planning.

MCEC's culinary teams continue to refine and improve our menu offering with the launch of new menus in January. The menus showcase the best of Victoria and native Australian produce using local and quality ingredients and catering to a broad audience by providing inclusive dietary options as a staple. The latest iteration of MCEC's menu ensures customers feel confident that their delegate dietary needs are met without compromising choice or flavour.

## Strategic priority three

### Our business

Throughout the year, the MCEC team continued to improve operations by streamlining processes, exploring opportunities to improve margins and creating efficiencies.

In January, MCEC's planning and operational delivery teams introduced a turnaround matrix to streamline operations and create a standard approach for the consecutive booking of spaces. This was to ensure minimum required timeframes were established to change over events, supporting venue utilisation and allocation of team resources internally.

MCEC increased its annual cyber security investment to increase its ability to defend, respond to, and build awareness against potential threats. This investment included additional staff, monitoring and detection tools and building working relationships with State Government partners.

This year, MCEC has focused on improving reporting tools and integrating business intelligence to enhance visibility of business performance and venue utilisation. This included investment in resources and technology, such as PowerBI, providing analytics and insights that have allowed our leadership team to make more informed decisions.

We also continued to work on plans for the future convention centre in Geelong. This included supporting a comprehensive and rigorous tender process to select the preferred bidder of the centre. Additionally, a project team was established to develop a roadmap to opening and delivered local stakeholder and future user consultation workshops to inform the design and operation of the centre. Opening in 2026, the new venue will be operated by the Melbourne Convention and Exhibition Trust (MCET) and will drive growth and economic impact to Geelong and surrounding regions.

This year saw the continuation of our partnership with Grande Experiences, as THE LUME Melbourne launched its second immersive art experience, *Monet & Friends*. Following the success of this experience, THE LUME announced *Connection*, the third instalment and largest representation of First Peoples art and culture ever assembled. The new experience was announced in May and opened in June 2023. This partnership continues to demonstrate opportunity for the business to diversify its product offering and revenue opportunities beyond traditional business events and exhibitions.

## Strategic priority four

### Our impact

In 2022-23, MCEC contributed \$805 million in economic impact to the Victorian economy.

One of the ways we continue to deliver value to the Victorian economy and the broader community is through our management of the Club Melbourne Ambassador Program. This year we have worked closely with Ambassadors to drive local and national events to MCEC as well as supporting a strong pipeline of international opportunities for the future.

A clear focus this year for the Club Melbourne Ambassador Program was to diversify the cohort and bring together experts from a broader range of industries. This year, 54 Ambassadors were moved from active to an alumni (advisory) or retired status. The program also welcomed five new Ambassadors which included influential Melbournians in food, agriculture, and the first Traditional Owner to join the program.

During 2022-23, Club Melbourne Ambassadors were involved in 52% of all future international conferences secured for Melbourne and to be held at MCEC. There are 13 active and pending business leads for outcomes in 2023-24 and beyond. In August, Dr Gemma Sharp and Dr Shoujin Wang were selected as the 2022 Club Melbourne Fellowship recipients. They each received \$2,500 in research funding to support attendance at an international conference and support their growth as the next generation of research leaders in Melbourne.

MCEC has continued to build on our commitment to sustainability. The launch of our reusable cup program in 2022 marked a key milestone towards our goal of eliminating single-use plastic and diverting 90% of our waste from landfill by 2025. The program aims to save up to one million disposable cups from landfill that are used across conferences and events throughout the year.

We also introduced 81 additional front of house recycling stations, meaning we now recover food waste from front of house areas instead of just our kitchens. Combined with an upgrade to our back of house recycling systems and signage, this has resulted in 7% more recyclables deposited into the correct bin and 7% less recyclable waste deposited into landfill. In addition, we have improved disposal of organic waste with only 15% ending up in landfill, compared to 33% in 2021.

We have grown our successful community partnerships program to give back to social and environmental causes with total in-kind contribution of \$2,218,801 to charitable causes across environmental sustainability, children's health and homelessness support.

Additionally, we established a new partnership with the Yarra Riverkeeper Association (YRKA), an organisation who represent and protect the Yarra River that runs along the entire MCEC. As a Platypus Partner, MCEC will work with YRKA to create stronger community connections and build a sustainable future for the Birrarung. In May, 13 MCEC employees participated in a Yarra River Blitz to clean up along the banks of the river, collecting almost 30kg of discarded rubbish, filling up two 240 litre bins.

In April, 102,500 people visited MCEC for another record-breaking Good Friday Appeal Kids Day Out, helping raise over \$23 million to support Melbourne's Royal Children's Hospital. This year, MCEC's kitchen team activated a homemade icecream stand and the business donated more than \$1.5 million of in-kind support including waived venue hire, technology, resources, catering and event support.

MCEC's strong commitment to sustainability and minimising food waste was recognised through an elevated partnership status with community partner, OzHarvest. In October, MCEC became an 'awesome partner' and is the only convention and exhibition centre in Australia to have achieved this status.

This year, we delivered 17,476 meals for those in need, rescuing 8,738kgs of food from landfill. Our support for OzHarvest also included ten employees volunteering their time to help delivery drivers collect food from partners across the state.

As an awesome partner, MCEC provides dedicated kitchen space for OzHarvest to run their popular Cooking for a Cause (CFAC) program throughout the year. This delivered 11,812 meals, using 23,642kg of rescued food.

OzHarvest also benefits from produce grown at Melbourne Skyfarm, a further partnership of the centre in the form of an urban farm that sits on top of MCEC's Siddeley Street carpark. Over the year, 975kg of fresh produce was harvested from the rooftop garden and donated to OzHarvest for redistribution.

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

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

MCEC continued to strengthen our industry relationships and introduced two new industry partners this year. In February, we welcomed The Startup Network (previously Startup Victoria) and the Victorian Tourism and Industry Council to our program. These strategic alignments will continue to strengthen MCEC's industry relationships and provide a forum for sharing experience and expertise.

## Financial information summary

### Five year financial summary

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

	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Revenue and income from transactions	119,209	221,253	92,980	96,463	106,848
Expenses from transactions	151,227	130,156	108,003	129,793	136,881
Net result from transactions	(32,018)	91,097	(15,023)	(33,330)	(30,033)
Net result for the period	(32,604)	91,276	(14,794)	(33,272)	(30,310)
Net cash flow from operating activities	16,463	28,734	21,035	3,929	15,924
Total assets	1,040,636	1,065,636	1,108,348	1,253,146	1,229,711
Total liabilities	197,245	189,641	323,629	322,643	327,515

## Current year financial review

### Revenue

The total revenue from sales of goods and services is \$89 million. This compares to a revenue of \$38.9 million last year. FY23 was our first full year of operation since the pandemic. The revenue demonstrates a positive outcome off the back of difficulties associated with successive COVID-19 lockdowns and a faster than anticipated recovery for business.

Included in grant income is an amount of \$26 million (2022: \$59 million) relating to operating funding from the Department of Jobs, Skills, Industry and Regions (DJSIR). Also included is an amount of \$1.6 million (2022: \$1.4 million) which represents the grant from DJSIR for the replacement of assets over the life of the Convention and Exhibition Centre. The Trust also received an amount of \$1.3 million (2022: \$0.4 million) in relation to the Nyaal Banyul Geelong Convention and Event Centre project.

### Expenses

Total expenses from transactions, as defined in the financial statements, totalled \$151.2 million (2022: \$130.2 million).

Purchases of supplies and services have increased by \$13.7 million. This increase can be attributed to the increase in operating revenue resulting from continued operational recovery from the impact of COVID-19. Included within supplies and services are cost of goods sold totalling \$10.5 million (2022: \$4.7 million), a 224% increase on the prior year.

Employee benefit expenses have increased by \$17.7 million on the prior year mainly because of increased event activities throughout the year.

The interest expense of \$1.8 million (2022: \$1.8 million) relates to the interest charged on the loan with DJSIR based on the new interest rate, which partly funded the Convention Centre asset and interest on leased equipment.

Depreciation expense of \$41 million (2022: \$41.5 million) has increased from the year prior due to the remaining useful life assessed as part of the revaluation process in FY22. The depreciation from 1 July 2022 is calculated on a straight-line method based on the remaining useful life.

## Balance sheet

The balance sheet of the Trust as at 30 June 2023 reports net assets of \$843 million (2022: \$876 million).

### Assets

Cash and deposits have increased by \$13.5 million which is explained by cash from operating activities and timing of funding from the Department of Jobs, Skills, Industry and Regions (DJSIR).

Property, plant and equipment has decreased by \$37.9 million, being explained by depreciation expense for the financial year.

### Liabilities

The interest bearing liability of \$158 million (2022: \$156.3 million) represents the value of the loan with DJSIR inclusive of accrued interest and lease liabilities relating to AASB 16 Leases.

Other liabilities of \$20.2 million (2022: \$18.9 million) mainly comprises deposits held against future bookings which represents funds held on behalf of customers until the completion of an event.

## Cash flow statement

The cash flow statement reports an increase of \$13.5 million in cash held (2022: \$6.7 million). Total cash holdings as at 30 June 2023 are \$44.7 million (2022: \$31.3 million).

Cash flows from operating activities were \$16.5 million for the year (2022: \$28.7 million). A grant of \$30.6 million (2022: \$65 million) (inclusive of GST) was received from DJSIR during the year to assist with operational activities.

Cash flows used in investing activities reflect expenditure on capital improvements. Purchases of non-financial assets totalled \$2.9 million (2022: \$1.4 million).

## Statement of changes in equity

The statement of changes in equity records a net decrease in total equity from \$876 million to \$843 million. The movement in this statement reflects the current year's operating result.

## Governance and organisational structure

### Powers and duties

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

### The Trust's Minister

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

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

The Minister relies on the Department of Jobs, Skills, Industry and Regions (the Department) in performing these ministerial functions.

For 2022-23, 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 the Trust for terms of up to three years.

### The Hon John Brumby AO Chair

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

Since retiring from politics in 2010, John Brumby has taken on a number of roles in the not-for-profit and business sectors, including Chair of the Melbourne Convention and Exhibition Trust, Citywide Service Solutions Pty Ltd and the In2Science Advisory Board. Mr Brumby was also recently appointed Chair of the Victorian Government's new \$2 billion Breakthrough Victoria Fund.

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

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

### Ms Diana Taylor Trustee

Ms Taylor was reappointed to the Trust in July 2022. She is Geelong based and is the Vice President of the Geelong Football Club where she has been a Club Director since 2010.

Ms Taylor is a commercial and workplace lawyer with almost 25 years' experience at top tier law firms as senior in-house counsel, and has now established her own business, Diana Taylor Legal Consulting. In 2016, Ms Taylor was awarded the Telstra Business Woman of the Year for Victoria (Corporate and Private).

Ms Taylor was the first woman appointed to chair a metropolitan men's football league as president and was the first woman appointed to the VFL Tribunal. Ms Taylor is the author of *The Playbook – Crossing the white line to succeed in life*,



business and the AFL.

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

### *Mr Michael Burn* *Trustee*

Mr Burn was reappointed to the Trust in July 2022. He has a strong background in finance having spent over thirty years in investment banking including nearly two decades as Executive Director at the Macquarie Group and is currently Deputy Chairman at Flagstaff Partners. Mr Burn is also Director at PFD Food Services, a leading national food wholesale and distribution company, and Director of the St. Vincent's Institute of Medical Research.

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

### *Mr Charles Donnelly* *Trustee*

Mr Donnelly was reappointed to the Trust 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 the Trust in September 2022. As managing director 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 International Special Events Society and Victorian Events Industry Council.

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 the Trust 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 Melbourne Theatre Company and Executive Director of the Melbourne International Comedy Festival. A highly experienced and well-respected cultural leader, she 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 through the Australian Museum and Galleries Association. Ms Lovett is currently the President of Arts Project Australia, an Executive Council member of Live Performance Australia and a member of the City of Melbourne's Night-time Economy Advisory panel. She has held the position of Chair for Arena Theatre, LPA's Theatre Panel for Live Performance Australia and Force Majeure; as well serving on the boards of Committee for Melbourne, Craft Victoria and Legs on the Wall. For the past five years 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 the Trust in April 2023. She is the founding CEO of Cambridge Boxhill Language Assessment (CBLA), a Melbourne based organisation that develops and manages the Occupational English Test (OET). Under Sujata's leadership OET has experienced over 1600% growth. Sujata has led company-wide business transformation, building the organisation into a global leader in healthcare English assessment delivering OET in over 150 countries.

CBLA/OET won the 2021 Governor of Victoria Export Award in the Professional Services category and the 2022 Governor of Victoria Export Award in the Education and Training category. It was also listed in the Australian Financial Review's Fast 100 2020 list, being ranked 38th out of 100 fastest growing companies in Australia.

Prior to joining CBLA, Sujata worked in various marketing and business development roles in the UK and India.

## Trust information

### *Completion of term*

The following Trustees completed their terms:

Ms Sam (Sandra) Andersen effective 15 September 2022.  
Mr Jonathan Metcalfe effective 31 March 2023.

### *Trust meetings*

A total of 10 Trust meetings were conducted during the year ended 30 June 2023. There was one Extraordinary Trust meeting which occurred in September 2022.

	Eligible to attend	Attended
The Hon John Brumby AO	11	11
Mr Jonathan Metcalfe	8	8
Ms Sandra (Sam) Andersen	2	2
Ms Diana Taylor	11	11
Mr Michael Burn	11	10
Mr Charles Donnelly	11	11
Mr Peter Jones AM	8	8
Ms Virginia Lovett	8	8
Ms Sujata Stead	3	3

## Sub-committees

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

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

### People and Culture Sub-Committee

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

To assist the Committee with their duties, two contractors 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:

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

### Risk Sub-Committee

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

In April 2023, the Trust agreed that the Audit & Risk Committee would be renamed to Risk Committee and will hold responsibility of the operations and governance of Nyaal Banyul Geelong Convention and Event Centre (Nyaal Banyul).

The main responsibilities of the Risk Sub-Committee include:

- Assist the Trust in reviewing the effectiveness of the organisation's identification and management of all risks associated with the Trust and its operations.
- Oversee and monitor the Risk Management Plan to ensure that risks are appropriately identified, treated, and reported.
- Determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, including coordination with the external auditors.
- Maintain effective communication with external auditors.

- Consider recommendations made by internal auditors and review the implementation of actions to resolve issues raised.
- To make a recommendation annually to the Trust regarding the inclusion in the Annual Report of the Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes Attestation (reflecting compliance with the Victorian Government Risk Management Framework – section 3.1.1 (risk) and 3.1.2 (insurance)).
- The Committee has authority, within the scope of its responsibilities, to seek such information it requires to fully perform its functions.
- Report on and oversee risks in relation 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:

- Review and report independently to the Trust on the Annual Report and all other financial information.
- Assist the Trust in reviewing the effectiveness of the internal control environment covering:
  - i) Effectiveness and efficiency of operations
  - ii) Reliability of financial reporting
- Compliance with applicable laws and regulations.

## Executive management

### Chief Executive

#### Natalie O'Brien AM

The Chief Executive is responsible for the overall management, business plan delivery and future strategic direction of MCEC, and has oversight of planning and future management of the Nyaal Banyul Geelong Convention and Event Centre, opening in 2026. Prior to joining MCEC, Natalie ran her own strategic design agency for five years. During this time, she took on part-time CEO roles with Wine Victoria as well as Ballarat Regional Tourism. Natalie was appointed a Member of the Order of Australia in the 2019 Australia Day Honours List for significant service to tourism, wine and the community.

### Chief Financial Officer

#### Stuart Davies

The Chief Financial Officer is responsible for financial management and reporting to the Trust, Finance Committee and the Victorian Government, along with the information technology, asset management, procurement, analytics and insights, legal, risk and compliance management functions. Stuart ensures our finance, technology and risk management strategies are seamlessly integrated and effectively contribute to the achievement of operational and strategic objectives..

### Chief Operating Officer

#### Helen Fairclough

The Chief Operating Officer optimises the Melbourne Convention and Exhibition Centre customer experience through the delivery of operational elements of the business. This role incorporates driving productivity through quality delivery of event technology, in-house food and beverage, safety, security, planning, event and venue operations (including logistics and customer service).

In addition, the portfolio oversees sustainability, the facilities and infrastructure functions, and acts as the PPP (Public Private Partnership) contract delegate. It also includes responsibility for significant CAPEX equipment & infrastructure projects.

The COO reports to the Chief Executive, Chairs the Critical Incident Management Team and is a critical contributor to ongoing development of the business strategy as a member of the Executive team. This role is accountable for leading and directing the operational workforce of over 800 employees and coaching senior Operational leaders.

### Chief People Officer

#### Amanda Wilson

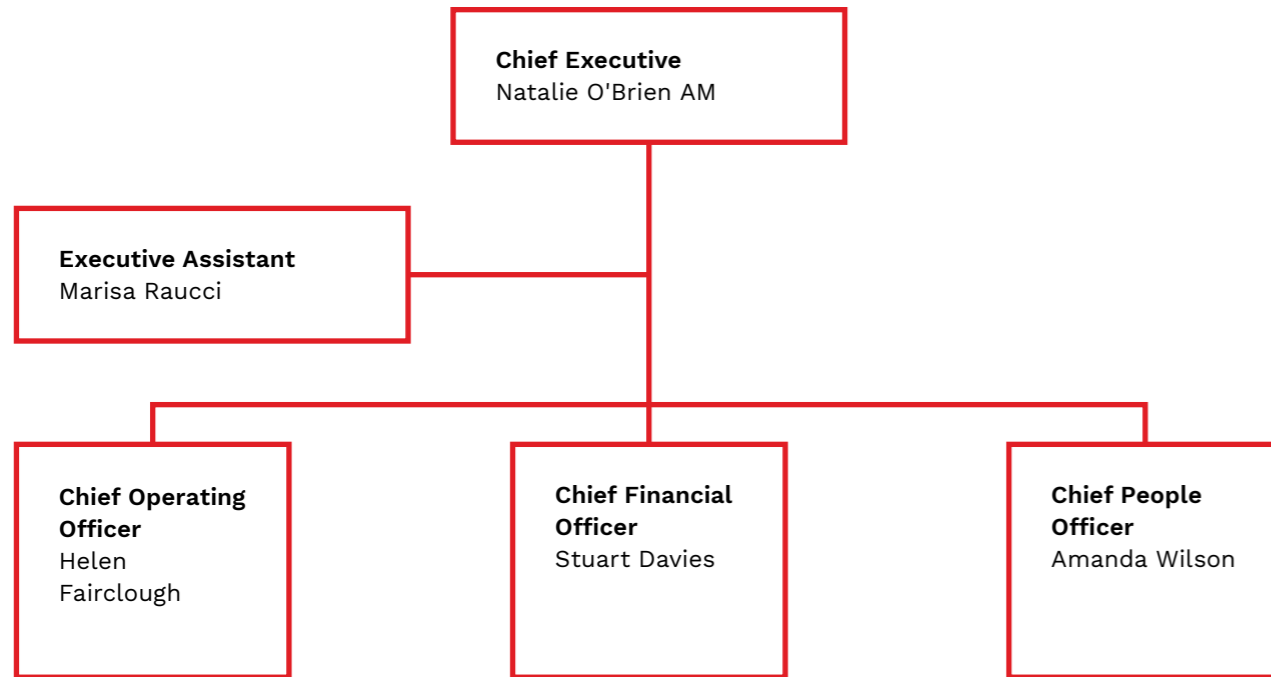
The Chief People Officer is responsible for leading the people and culture strategy, and contributes to the implementation of MCEC vision, strategic objectives and values. The CPO identifies initiatives to support an engaged and inclusive employee experience that focuses on ensuring our people are capable, confident and feel they belong. The CPO is the steward of MCEC's industrial relations strategy.

### Management and employees

For the year ended 30 June 2023, the Trust employed seven Trustees, 353 full-time employees, and the full-time equivalent of 22 part-time and 210 casual employees.

This compares to seven Trustees, 222 full-time employees, and the full-time equivalent of 12 part-time and 517 casual employees for the year ended 30 June 2022.

## Organisation structure



## Occupational health and safety

### Workplace Health and Safety (WH&S) policy

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

MCEC recognises its responsibility under Victorian Work Health and Safety legislation in conjunction with certification to ISO 45001:2018 Systems, HACCP-9000 Food Safety systems and Good Manufacturing Principles requirements. The Trust aims to incorporate practicable compliance to all aspects of related business activities.

MCEC’s Occupational Health, Safety and Wellbeing (OHSW) Policy objectives and procedures are reviewed on a regular basis and in response to changes to governing requirements. Copies of the policy are available on all OHSW noticeboards and MCEC’s website [www.mcec.com.au](http://www.mcec.com.au).

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

### Workplace Health and Safety (WH&S) performance

In the last year, there were 102 reported injuries (79 employees, 11 visitors and 12 contractors), the vast majority of which were minor. This represents an injury increase of 93% across all categories, relative to WH&S performance indicators. A total of 177 staff days were lost during the year due to injuries. There are 6 WorkCover claims ongoing.

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

**Target 1: Employees: 10% reduction of employee injuries relative to hours worked:**  
An FY23 average of 8.2 injuries per month per 100,000 hours worked versus an FY22 average of 4.4 injuries per month per 100,000 hours worked – an increase of 86%\*.

**Target 2: Public: 10% reduction of public injuries relative to number of visitors:**  
An FY23 average of 0.4 injuries per month per 100,000 visitors versus an FY22 average of 0.7 – a reduction of 43%.

**Target 3: Contractors 10% reduction of contractor injuries:**  
The total number of injuries for contractors FY23 is 12, same period FY22 was 6\*.

**Target 4: Lost Time Injury Frequency Rate (LTIFR) of <10**  
The current level of 3.6 remains well under the new performance target.

**Target 5: Severity Rate of <10**  
The Severity Rate is 6.6.

\*A return to normal business activity after pandemic lockdowns has resulted in an increase to employee injuries and contractor injuries from a very low base level in FY22.

## Other disclosures

### Employment and conduct principles

All employee matters are governed by the principles of merit and equity. A comprehensive Enterprise Bargaining Agreement is in place. The Trust continues its ongoing commitment to Equal Employment Opportunity principles and reporting guidelines as outlined in the Equal Opportunity Act (Victoria) 2010.

### Victorian Industry Participation Policy (VIPP)

During the 2022-23 year, MCEC did not commence or complete any Local Jobs First Strategic Projects.

MCEC did not commence or complete any Local Jobs First Standard Projects between 1 July 2022 and 30 June 2023.

### Consultancy expenditure

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

In 2022-23, there were ten consultancies where the total fees payable to the consultants were \$10,000 or more. The total expenditure incurred during 2022-23 in relation to these consultancies was \$0.5 million (excluding GST).

Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Expenditure (\$'000)
CharterX Pty Ltd	Marketing Auto Project	32
Decision Inc Australia Pty Ltd	Financial Planning & Analysis	14
Integralis	IT	15
Manpower Services (Aust) Pty Ltd	Security & Safety	89
Mneni Oz Trading	IT	19
Opus Vitae	LACE	112
Paul Richardson	LACE	176
Proximity	IT	25

Ungerboeck Systems International (Australasia) Pty Ltd	IT & Process Automation	57
Vanguard Risk Australia Pty Ltd	IT	13

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

In 2022-23, there were four consultancies engaged during the year where the total fees payable to the individual consultancies were less than \$10,000. The total expenditure incurred during 2022-23 in relation to these consultancies was \$1,400 (excluding GST).

### Information and Communication Technology (ICT) expenditure

For the 2022-23 reporting period, the Trust had total ICT expenditure of \$6.86 million (excluding GST) with the details shown below.

#### Business as Usual

ICT expenditure \$'000
6,074

#### Non Business as Usual

Total ICT expenditure \$'000	Operational expenditure \$'000	Capital expenditure \$'000
782	782	-

ICT expenditure refers to the Trust's costs in providing business enabling ICT services. It comprises business-as-usual (BAU) ICT expenditure and nonbusiness-as-usual (nonBAU) ICT expenditure.

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

### Freedom of Information (FOI)

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

For the 12 months ending 30 June 2023, the Trust received nil applications.

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

Further information on the Act may be obtained from [www.foicommissioner.vic.gov.au](http://www.foicommissioner.vic.gov.au).

### Freedom of Information (FOI) Part II

#### Information statements

##### Statement 1: Organisation and function

Refer to Functions in the Melbourne Convention and Exhibition Trust Annual Report 2022-23.

##### 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 [www.mcec.com.au](http://www.mcec.com.au).

##### Statement 5: Responsibilities

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

### Disability Act 2006

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

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

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

The Trust's Accessibility Action Plan has already introduced many initiatives and improvements across the four outcome areas. In particular, for the year ending 30 June 2023, the Trust has

implemented the following initiatives in relation to accessibility at the Centre:

1. Completed architectural design of a new Changing Places facility.
2. Applied for and received a Government grant to supplement MCEC's own funding toward the construction of the Changing Places facility.
3. MCEC is listed on the Companion Card website (annual).
4. Upgrades to MCEC's website including:
  - i) AA compliance to the Web Content Accessibility Guidelines (WCAG) 2.1.
  - ii) Copy is written in plain English (Year 9 reading level).
  - iii) Information is welcoming to culturally and linguistically diverse communities.
  - iv) Mobile, tablet and desktop responsive to allow users to consume information on different devices easily.
  - v) Alternative (Alt) text is being added to images that allow screen read software to read aloud to users.
  - vi) An accessibility matrix has been developed for all of our bookable room and space types across 18 accessibility features.

## Building regulations

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

## National Competition Policy

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

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

## Public Interest Disclosure Act 2012

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

[www.ibac.vic.gov.au](http://www.ibac.vic.gov.au).

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

## Environmental impacts

MCEC's sustainability effort was developed to meet Government requirements, customer and employee expectations, and to ultimately reduce our impact on the environment.

Our five-year Sustainability Strategy and Action Plan has been in place for two years now, with progress being made across several environmental and social priority areas.

## Maximise diversion from landfill

Our targets for waste diversion from landfill are:  
2023 – 80%  
2025 – 90%

Our waste diversion rate in 2022-23 was 47%, up from 34% in 2021-22. While an improvement has been made since last year, we are still a long way from our waste diversion target. As with 2021-22, we saw a drop in our recovery of recyclables compared to our baseline year due to a higher proportion of our bins and waste streams being cross-contaminated with items such as masks and gloves as a lagging result of the pandemic. The risk of exposure reduced our opportunity to sort and remove contaminants from the waste stream. In addition, the extended venue closure delayed our front-of-house bin roll-out, setting us back approximately 18 months. We will conduct a thorough waste audit to further understand opportunities for landfill diversion, and to try and speed progress towards our 2025 target.

Milestone achievements have been:

- The introduction of stainless-steel reusable coffee cups to replace disposable coffee cups in corporate catered events. This initiative will prevent the use of up to 1 million disposable coffee cups per year.
- Of disposable coffee cups that were used in retail or brought from outside the venue, over 26,000 were collected in 2022-23 and sent to Simply Cups for recycling, diverting approximately 260kg of waste from landfill.
- IKON's onsite organic dehydrator processes the organic food waste generated by the kitchen. On average it reduces the volume of organic waste by 68% and produces 100kg per day.

- The end product is then transported to Yarra Valley Water's waste to energy facility where it is turned into methane gas for commercial use. The dehydrator processed over 30 tonnes of food and organic waste in 2022-23. The introduction of front of house organics bins has allowed for further recovery of organic waste.
- 8.74 tonnes of recoverable food was donated to OzHarvest in 2022-23.
- In a partnership with local charity Bright Sparq, we were able to donate over 3 tonnes of food and other goods in 2022-23 to be distributed to Melbourne communities in need and saving them from landfill.

Additional milestone:

Total volume of waste sent to landfill in 2022-23 was 72% less than our baseline year (2019)

## Environmental certifications

MCEC received EarthCheck Gold Certification for the sixth year in a row in 2022, and are awaiting certification for 2023. MCEC has been EarthCheck certified since 2009 and has achieved Gold status since 2016.

## Greenhouse gas emissions

MCET reports its greenhouse gas emissions as combined Scope 1 and Scope 2 however, they are separated in the below table. 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 electricity from the grid, which still uses coal and gas-fired power generation. Scope 3 emissions are indirect emissions from sources that we do not control but do influence. MCET does not currently report Scope 3 emissions.

Using the 2019 calendar year as a baseline (156kg CO<sub>2</sub>-e per sqm) our targets are:  
2023: 18% reduction in CO<sub>2</sub> emissions (CO<sub>2</sub>-e per sqm)  
2026: 25% reduction in CO<sub>2</sub> emissions (CO<sub>2</sub>-e per sqm)

Our business emitted 126kg CO<sub>2</sub>-e per sqm in 2022-23, a 19% reduction on our baseline 2019 level, though no change from our 2022 levels. This figure factors in the Melbourne Renewable Energy Project (MREP), which allows us to purchase renewable energy certificates to offset part of our emissions. In 2022-23, renewable energy accounted for 16% of our total electricity consumption.

Without taking MREP into account, our business emitted 147kg CO<sub>2</sub> emissions per sqm in 2022-23, which was slightly more than in 2021. Although this level is well below our target 2019 levels, it is not representative of venue operations at full capacity due to the residual impact of the COVID-19 pandemic.

MCET is aiming to reduce our emissions through several energy efficiency projects. In 2023-24 we will set a science-based net zero target and develop a net zero roadmap to illustrate our transition to net zero emissions.

# Financial Reporting Direction 24 (FRD 24) reporting of environmental data by Government entities

## Reporting boundary for environmental data

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

## Environmental reporting

MCET is committed to environmental sustainability in its operations. Sustainability and greenhouse gas emissions reduction are a key priority for the organisation, as evident by our Sustainability Strategy 2021-26.

Indicator	2022-23
Total Scope 1 greenhouse gas emissions (tonnes CO <sub>2</sub> -e) [Indicator G1]	3,403.6
Total Scope 2 greenhouse gas emissions (tonnes CO <sub>2</sub> -e) [Indicator G2]	22,103.2

## Electricity production and consumption

Electricity consumption increased by 10.5% in 2022-23 compared to 2021-22 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	2022-23
Total electricity consumption (MWh) [Indicator EL1]	24,445,147.30
Purchased electricity – consolidated	
Melbourne Exhibition Centre	6,039.82
Melbourne Convention Centre	13,426.21
Melbourne Exhibition Centre Expansion	4,979.12
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 used primarily for the building's boilers. Stationary fuel use decreased by 11% in 2022-23 compared to 2021-22. This is partly because during the COVID-19 pandemic, 100% fresh air intake of the HVAC system obligation was imposed by DHHS, meaning the system had to work harder and consumption increased. Lifecycle projects continue to improve efficiencies such as through boiler refurbishments.

Indicator	2022-23
Total fuels used in buildings and machinery (MJ) [Indicator F1]	65,995,460
Buildings	
Natural gas	65,995,460
Greenhouse gas emissions from stationary fuel consumption (tonnes CO <sub>2</sub> -e) [Indicator F2]	3,401

## Transportation

MCET's fleet comprised of two pool vehicles for passenger use. Both were diesel vehicles. Fuel consumption was significantly higher in 2022-23 compared to 2021-22 due to increased activity at the venue.

Indicator	2022-23	%
Number and proportion of vehicles [Indicator T2]	2	100
Road vehicles		
Passenger vehicles		
Diesel	2	100

Indicator	2022
Total energy used in transportation (MJ) [Indicator T1]	37,290
Road vehicles	
Passenger vehicles	
Diesel	37,290
Greenhouse gas emissions from vehicle fleet (tonnes CO <sub>2</sub> e) [Indicator T3]	2.63
Road vehicles	
Passenger vehicles	
Diesel	2.63

## Total energy use

Total energy used by MCET increased by 0.1% from 2021-22 to 2022-23. MCET's use of renewable energy is 16%, driven by the voluntary surrender of Renewable Energy Certificates (4GWh).

Indicator	2022
Total energy usage from fuels (stationary and transportation) (MJ) [Indicator E1]	66,032,750
Total energy used from electricity (MJ) [Indicator E2]	88,002,530
Total energy used segmented into renewable and non-renewable sources (MJ) [Indicator E3]	154,035,280
Renewable	16%
Non-renewable	84%
Units of energy used (MJ) normalised by Fully Enclosed Covered Area (FECA) [Indicator E4]	887.71

## Corporate Plan

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

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)

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

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

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

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

## Additional information available on request

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

## 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.

# Financial statements

For the year ended 30 June 2023

## How this report is structured

The Melbourne Convention and Exhibition Trust (the Trust) has presented its audited general-purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about the Trust's stewardship of resources entrusted to it.

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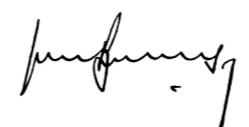
## Declaration in the financial statements

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 2023 and financial position of the Trust at 30 June 2023.

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 21 September 2023.



**The Hon John Brumby AO**  
Trust Chair

Melbourne  
21 September 2023



**Natalie O'Brien AM**  
Chief Executive

Melbourne  
21 September 2023



**Stuart Davies**  
Chief Financial Officer

Melbourne  
21 September 2023

# 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 2023</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 significant accounting policies</li> <li>• financial statements declaration.</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 2023 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>

<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> <li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>I communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE  
2 October 2023

Simone Bohan  
as delegate for the Auditor-General of Victoria



## Comprehensive operating statement

For the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>Continuing operations</b>			
<b>Revenue and income from transactions</b>			
Sales of goods and services	2.2.1	88,980	38,886
Interest		1,005	48
Grants	2.2.2	29,224	60,730
Other income		-	121,589
<b>Total revenue and income from transactions</b>		<b>119,209</b>	<b>221,253</b>
<b>Expenses from transactions</b>			
Supplies and services	3.1.1	52,226	38,539
Employee benefit expenses	3.1.2	55,655	37,924
Interest expense	6.1.2	1,790	1,779
Depreciation	4.1.2	41,042	41,486
Other operating expenses	3.1.5	514	10,428
<b>Total expenses from transactions</b>		<b>151,227</b>	<b>130,156</b>
<b>Net result from transactions (net operating balance)</b>		<b>(32,018)</b>	<b>91,097</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	8.2	(16)	(16)
Other gains/(losses) from other economic flows	8.2	(570)	195
<b>Total other economic flows included in net result</b>		<b>(586)</b>	<b>179</b>
<b>Net result</b>		<b>(32,604)</b>	<b>91,276</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	8.3	-	-
<b>Total other economic flows – other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Comprehensive result</b>		<b>(32,604)</b>	<b>91,276</b>

The accompanying notes form part of these financial statements.

## Balance sheet

As at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.3	44,733	31,266
Receivables	5.1	7,050	7,171
Investments and other financial assets	4.2	2,000	2,000
<b>Total financial assets</b>		<b>53,783</b>	<b>40,437</b>
<b>Non-financial assets</b>			
Inventories		823	536
Property, plant and equipment	4.1	985,390	1,023,288
Other non-financial assets	5.2	640	1,375
<b>Total non-financial assets</b>		<b>986,853</b>	<b>1,025,199</b>
<b>Total assets</b>		<b>1,040,636</b>	<b>1,065,636</b>
<b>Liabilities</b>			
Payables	5.3	13,072	8,967
Borrowings	6.1	157,981	156,330
Employee related provisions	3.1.3	5,955	5,409
Other liabilities	5.4	20,237	18,935
<b>Total liabilities</b>		<b>197,245</b>	<b>189,641</b>
<b>Net assets</b>		<b>843,391</b>	<b>875,995</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		(212,724)	(180,120)
Physical asset revaluation surplus	8.3	419,966	419,966
Contributed capital		636,149	636,149
<b>Net worth</b>		<b>843,391</b>	<b>875,995</b>

The accompanying notes form part of these financial statements.

## Cash flow statement

For the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers		101,573	46,409
Receipts from Government		30,359	64,900
Interest received		978	44
<b>Total receipts</b>		<b>132,910</b>	<b>111,353</b>
<b>Payments</b>			
Payments to suppliers and employees		(108,729)	(75,676)
Goods and services tax paid to the ATO <sup>(a)</sup>		(7,718)	(6,943)
<b>Total payments</b>		<b>(116,447)</b>	<b>(82,619)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.3.1	<b>16,463</b>	<b>28,734</b>
<b>Cash flow from investing activities</b>			
Purchases of non-financial assets		(2,878)	(1,416)
Proceeds from sale of non-financial assets		2	1
<b>Net cash flows from/(used in) investing activities</b>		<b>(2,876)</b>	<b>(1,415)</b>
<b>Cash flows from financing activities</b>			
Principal portion of lease liabilities <sup>(b)</sup>		(120)	(116)
Repayment of borrowings		-	(20,496)
<b>Net cash flows from/(used in) financing activities</b>		<b>(120)</b>	<b>(20,612)</b>
<b>Net increase/(decrease) in cash and deposits</b>		<b>13,467</b>	<b>6,707</b>
Cash and deposits at beginning of financial year		31,266	24,559
<b>Cash and deposits at end of financial year</b>	6.3	<b>44,733</b>	<b>31,266</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) The Trust has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

## Statement of changes in equity

For the financial year ended 30 June 2023

	Notes	Physical asset revaluation surplus \$'000	Accumulated deficit \$'000	Contributions by owner \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		<b>419,966</b>	<b>(271,396)</b>	<b>636,149</b>	<b>784,719</b>
Net result for the year		-	101,276	-	101,276
Recognition of prior period error	8.1	-	(10,000)	-	(10,000)
Restated net result for the year		-	91,276	-	91,276
Restated balance at 30 June 2022		419,966	(180,120)	636,149	875,995
<b>Net result for the year</b>		<b>-</b>	<b>(32,604)</b>	<b>-</b>	<b>(32,604)</b>
<b>Balance at 30 June 2023</b>		<b>419,966</b>	<b>(212,724)</b>	<b>636,149</b>	<b>843,391</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 (the Trust) is a Government agency of the State of Victoria, established pursuant to the provisions of the *Melbourne Convention and Exhibition Trust Act 1996*. Its principal address is:

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

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

### Basis of preparation

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

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

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

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

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

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

These financial statements have been prepared on a going concern basis. The State of Victoria, through DJSIR, remain supportive of the Trust's position and, through provision of a Letter of Support have mitigated the going concern risk as at 30 June 2023. Refer to Note 8.9 for more details.

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

### Compliance information

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

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

## 2. Funding delivery of our services

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

### 2.1 Summary of revenue and income

	Notes	2023 \$'000	2022 \$'000
Sale of good and services	2.2.1	88,980	38,886
Interest		1,005	48
Grants	2.2.2	29,224	60,730
Other income		-	121,589
<b>Total revenue and income from transactions</b>		<b>119,209</b>	<b>221,253</b>

Revenue and income that fund delivery of the Trust's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes. During FY22, there was a forgiveness of loan of \$121.6 million in relation to financing of the construction of the Convention Centre.

### 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

	2023 \$'000	2022 \$'000
Rendering of services	55,904	25,964
Sales of goods	33,076	12,922
<b>Total sales of goods and services</b>	<b>88,980</b>	<b>38,886</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

The Trust recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and 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 debit from Receivables.

## 2.2.2 Grants

### Income recognised as revenue under AASB 1058

	2023 \$'000	2022 \$'000
COVID-19 support funding from the State	26,275	59,000
Asset lifecycle replacement	1,625	1,360
Nyaal Banyul Geelong Convention and Event Centre project funding	1,324	370
<b>Total grants</b>	<b>29,224</b>	<b>60,730</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 received for specific purpose grants for on-passing is recognised simultaneously as the funds are immediately on-passed to the relevant recipient entities on behalf of the government.

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

There are no grants recognised under AASB15.

## 3. The cost of delivering services

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

### 3.1 Expenses incurred in the delivery of services

#### 3.1.1 Supplies and services

	2023 \$'000	2022 \$'000
Purchase of supplies and services	32,561	25,485
Cost of goods sold	10,538	4,700
Maintenance	9,127	8,354
<b>Total supplies and services</b>	<b>52,226</b>	<b>38,539</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

	2023 \$'000	2022 \$'000
Defined contribution superannuation expense	4,818	3,086
Salaries and wages, annual leave and long service leave	50,014	33,674
Termination benefits	823	1,164
<b>Total employee expenses</b>	<b>55,655</b>	<b>37,924</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.

	2023 \$'000	2022 \$'000
<b>Current provisions</b>		
<b>Annual leave</b>		
Unconditional and expected to be settled within 12 months	2,043	1,936
Unconditional and expected to be settled after 12 months	223	42
<b>Long service leave</b>		
Unconditional and expected to be settled within 12 months	205	189
Unconditional and expected to be settled after 12 months	1,534	1,578
<b>Provisions for on-costs</b>		
Unconditional and expected to settle within 12 months	373	332
Unconditional and expected to settle after 12 months	295	252
<b>Total current provisions for employee benefits</b>	<b>4,673</b>	<b>4,329</b>
<b>Non-current provisions:</b>		
<b>Long service leave</b>		
Employee benefits	1,097	934
On-costs	185	146
<b>Total non-current provisions for employee benefits</b>	<b>1,282</b>	<b>1,080</b>
<b>Total provisions for employee benefits</b>	<b>5,955</b>	<b>5,409</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 the Trust does not have an unconditional right to defer settlements of these liabilities.

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

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

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

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

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

The components of this current LSL liability are measured at:

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

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

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

### 3.1.4 Superannuation contributions

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

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

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

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Host Plus Superannuation Fund	1,989	1,307	261	220
Australian Super	941	610	125	104
REST Superannuation Fund	312	149	39	29
ASGARD Corporate Superannuation Fund	10	13	1	1
Others	1,158	868	165	124
<b>Total</b>	<b>4,410</b>	<b>2,947</b>	<b>591</b>	<b>478</b>

### 3.1.5 Other operating expenses

	2023	2022
	\$'000	\$'000
Recognition of error - write off of Land Deposit (Site X)	-	10,000
Short-term and low value lease expenses	540	434
Loss allowance from transactions	(26)	(6)
<b>Total other operating expenses</b>	<b>514</b>	<b>10,428</b>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes loss allowance expenses from transactions that are written off when identified. Refer to Note 8.1 for Recognition of Error - Write off of Land Deposit (Site X).

## 4. Key assets available to support output delivery

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

### 4.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land at fair value	441,900	441,900	-	-	441,900	441,900
Buildings at fair value	589,166	589,166	(70,899)	(35,431)	518,267	553,735
Plant and equipment at fair value	62,463	67,350	(51,624)	(53,361)	10,839	13,989
Assets under construction	2,771	1,638	-	-	2,771	1,638
Infrastructure at fair value	11,157	11,157	(826)	(413)	10,331	10,744
Cultural assets at fair value	1,282	1,282	-	-	1,282	1,282
<b>Net carrying amount</b>	<b>1,108,739</b>	<b>1,112,493</b>	<b>(123,349)</b>	<b>(89,205)</b>	<b>985,390</b>	<b>1,023,288</b>

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

	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 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	-	-	<b>3,299</b>
Transfers	-	-	2,081	(2,166)	-	-	<b>(85)</b>
Disposals	-	-	(70)	-	-	-	<b>(70)</b>
Revaluations	-	-	-	-	-	-	-
Depreciation	-	(35,468)	(5,161)	-	(413)	-	<b>(41,042)</b>
<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>
<b>Year ended 30 June 2022</b>							
<b>Opening balance</b>	<b>441,900</b>	<b>588,187</b>	<b>17,100</b>	<b>3,530</b>	<b>11,157</b>	<b>1,282</b>	<b>1,063,156</b>
Additions	-	-	-	-	-	-	-
Transfers	-	-	-	(3,521)	-	-	<b>(3,521)</b>
Disposals	-	-	(54)	-	-	-	<b>(54)</b>
Revaluations	-	-	-	-	-	-	-
Depreciation	-	(35,430)	(5,643)	-	(413)	-	<b>(41,486)</b>
<b>Closing 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>

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (less than or equal to 10%) for a full revaluation. 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.

#### 4.1.2 Depreciation

	2023 \$'000	2022 \$'000
Buildings	35,468	35,430
Plant and equipment	5,047	5,517
Right-of-use assets	114	126
Infrastructure	413	413
<b>Total depreciation</b>	<b>41,042</b>	<b>41,486</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, less any estimated residual value, over its estimated useful life.

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

Asset	Useful life
Buildings	15 – 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

	2023 \$'000	2022 \$'000
<b>Current investments and other financial assets</b>		
Australian dollar term deposits > three months	2,000	2,000
<b>Total investments and other financial assets</b>	<b>2,000</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.

#### 4.2.1 Ageing analysis of investments and other financial assets

	Maturity dates				
	Carrying amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000	1-5 years \$'000
<b>30 June 2023</b>					
Australian dollar term deposits > three months	2,000	-	2,000	-	-
	<b>2,000</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>-</b>
<b>30 June 2022</b>					
Australian dollar term deposits > three months	2,000	-	-	2,000	-
	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>-</b>

## 5. Other assets and liabilities

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

### 5.1 Receivables

	Notes	2023 \$'000	2022 \$'000
<b>Current</b>			
<b>Contractual</b>			
Receivables		6,882	6,853
Allowance for impairment losses of contractual receivables	7.1.1	(46)	(74)
<b>Statutory</b>			
Amounts owing from Victorian Government relating to event activities		214	392
<b>Total receivables</b>		<b>7,050</b>	<b>7,171</b>

Receivables include debtors in relation to goods and services and accrued investment income. All receivables are classified as current represented by contractual and statutory receivables.

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

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

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

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

## 5.2 Other non-financial assets

	2023 \$'000	2022 \$'000
<b>Current</b>		
Prepayments	640	1,375
<b>Total other non-financial assets</b>	<b>640</b>	<b>1,375</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

	2023 \$'000	2022 \$'000
<b>Current</b>		
<b>Contractual</b>		
Supplies and services	6,586	4,031
Amounts payable to Government and agencies	2,890	2,691
Other payables	1,713	1,204
	<b>11,189</b>	<b>7,926</b>
<b>Statutory</b>		
FBT payable	44	71
GST payable	1,105	655
State Revenue Office – payroll tax payable	401	315
State Revenue Office – congestion levy	333	-
	<b>1,883</b>	<b>1,041</b>
<b>Total payables</b>	<b>13,072</b>	<b>8,967</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 the Trust prior to the end of the financial year that are unpaid, and arise when the Trust becomes obliged to make future payments in respect of the purchase of those goods and services; and
- **Statutory payables**, these are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. Payables are generally paid within the payment period thereby avoiding any interest charges that may be charged on late payments.

Terms and conditions of amounts payable to other government agencies vary according to particular agreements and as they are not legislative payables, they are not classified as financial instruments.

### 5.3.1 Maturity analysis of contractual payables

	Maturity dates				
	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000
<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>11,189</b>	<b>11,189</b>	<b>9,246</b>	<b>1,864</b>	<b>79</b>
<b>30 June 2022</b>					
Supplies and services	4,031	4,031	3,632	125	274
Amounts payable to Government and agencies	2,691	2,691	58	2,633	-
Other payables	1,204	1,204	1,204	-	-
	<b>7,926</b>	<b>7,926</b>	<b>4,894</b>	<b>2,758</b>	<b>274</b>

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

## 5.4 Other liabilities

	2023 \$'000	2022 \$'000
<b>Current</b>		
Income received in advance	8	25
Deposits against future bookings	20,229	18,910
<b>Total other liabilities</b>	<b>20,237</b>	<b>18,935</b>

Other liabilities include:

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

## 6. How we financed our operations

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

### 6.1 Borrowings

	2023 \$'000	2022 \$'000
<b>Current Borrowings</b>		
Lease liabilities (a)	106	120
	<b>106</b>	<b>120</b>
<b>Non-current Borrowings</b>		
Lease liabilities (a)	27	133
Advances from government (b)	157,848	156,077
	<b>157,875</b>	<b>156,210</b>
<b>Total borrowings</b>	<b>157,981</b>	<b>156,330</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 the Trust 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, the Trust was notified by DJSIR of the forgiveness of debt and a revision of loan schedule.

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

- 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 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>
<b>30 June 2022</b>							
Lease liabilities	253	253	-	32	88	133	-
Advances from government	156,077	173,575	-	-	-	17,836	155,739
	<b>156,330</b>	<b>173,828</b>	<b>-</b>	<b>32</b>	<b>88</b>	<b>17,969</b>	<b>155,739</b>

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

### 6.1.2 Interest expense

	2023 \$'000	2022 \$'000
Interest on lease liabilities	19	28
Interest on advances from government	1,771	1,751
<b>Total interest expense</b>	<b>1,790</b>	<b>1,779</b>

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

## 6.2 Leases

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

### The Trust leasing activities

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

Leases of IT equipment with contract terms of 1-3 years are either short-term and or/leases of low-value items. The Trust has elected not to recognise right-of-use assets and lease liabilities for these leases.

### 6.2.1 Right-of-use Assets

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



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

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

	2023 \$'000	2022 \$'000
Interest expense on lease liabilities	20	28
Expense relating to short term leases	72	35
Expense relating to leases of low-value assets	469	398
<b>Total amount recognised in the comprehensive operating statement</b>	<b>561</b>	<b>461</b>

**6.2.3 Maturity analysis – contractual undiscounted cash flows**

	2023 \$'000	2022 \$'000
Not longer than 1 year	116	139
Longer than 1 year but not longer than 5 years	29	145
Longer than 5 years	-	-
<b>Total contractual undiscounted cash flows</b>	<b>145</b>	<b>284</b>

**6.3 Cash flow information and balances**

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

	2023 \$'000	2022 \$'000
Cash on hand	17	17
Cash at bank	44,716	31,249
<b>Balance as per cash flow statement</b>	<b>44,733</b>	<b>31,266</b>

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

	2023 \$'000	2022 \$'000
<b>Net result for the period</b>	<b>(32,604)</b>	<b>91,276</b>
<b>Non-cash movements</b>		
Depreciation of non-current assets	41,042	41,486
(Gain)/loss on sale or disposal of non-financial assets	16	16
Lifecycle expenses	-	(252)
Forgiveness of liabilities	-	(121,587)
Correction of error	-	10,000
<b>Movements included in investing and financing activities</b>		
Interest on advances from government	1,771	1,751
<b>Net change in assets and liabilities</b>		
(Increase)/decrease in receivables	121	(78)
(Increase)/decrease in inventories	(287)	(106)
(Increase)/decrease in other assets	735	(266)
(Decrease)/increase in payables	3,821	3,554
(Decrease)/increase in other liabilities	1,302	3,020
(Decrease)/increase in non-current provisions	546	(80)
<b>Net cash flows from/(used in) operating activities</b>	<b>16,463</b>	<b>28,734</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>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>
<b>2022</b>				
Short-term and low value lease commitments payable	277	208	-	485
Other commitments payable	4,190	18,073	35,871	58,134
<b>Total commitments (inclusive of GST)</b>	<b>4,467</b>	<b>18,281</b>	<b>35,871</b>	<b>58,619</b>
Less GST recoverable from Australian Tax Office				(5,329)
<b>Total commitments (exclusive of GST)</b>				<b>53,290</b>

## 7. Risks, contingencies and valuation judgements

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

### 7.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Categories of financial assets

##### Financial assets at amortised cost

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

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

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

The Trust recognises the following assets in this category:

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

#### Categories of financial liabilities

##### Financial liabilities at amortised cost

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

The Trust recognises the following liabilities in this category:

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

##### Derecognition of financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the assets have expired
- the Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Trust has transferred its 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 the Trust has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Trust'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 the Trust's business model for managing its financial assets has changed such that its previous model would no longer apply.

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

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

#### 7.1.1 Financial instruments: categorisation

	Cash and deposits \$'000	Financial assets at amortised cost \$'000	Contractual financial liabilities – at amortised cost \$'000
<b>2023</b>			
<b>Contractual financial assets</b>			
Cash and deposits	44,733	-	-
Investments and other financial assets	-	2,000	-
Receivables	-	6,882	-
<b>Total contractual financial assets</b>	<b>44,733</b>	<b>8,882</b>	<b>-</b>
<b>Contractual financial liabilities</b>			
Payables	-	-	11,189
Borrowings	-	-	157,981
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>169,170</b>
<b>2022</b>			
<b>Contractual financial assets</b>			
Cash and deposits	31,266	-	-
Investments and other financial assets	-	2,000	-
Receivables	-	7,171	-
<b>Total contractual financial assets</b>	<b>31,266</b>	<b>9,171</b>	<b>-</b>
<b>Contractual financial liabilities</b>			
Payables	-	-	7,926
Borrowings	-	-	156,330
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>164,256</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, the Trust's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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

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

##### (a) Credit risk

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

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

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

##### Impairment of financial assets

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

##### Contractual receivables at amortised cost

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

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

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

	Current	1-30 days	31-60 days	61-90 days	90-120 days	120-180 days	180+ days	Total
<b>30 June 2023</b>								
Expected loss rate	0.36%	0.53%	1.79%	5.57%	10.71%	6.69%	100%	
Gross carrying amount of contractual receivables (\$'000)								
	3,460	1,518	297	23	58	22	11	<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>(2)</b>	<b>(11)</b>	<b>(46)</b>
<b>30 June 2022</b>								
Expected loss rate	0.64%	0.99%	3.21%	9.75%	16.08%	8.06%	100%	
Gross carrying amount of contractual receivables (\$'000)								
	2,489	1,509	486	227	21	19		<b>4,751</b>
<b>Loss allowance (\$'000)</b>	<b>(16)</b>	<b>(15)</b>	<b>(16)</b>	<b>(22)</b>	<b>(3)</b>	<b>(2)</b>		<b>(74)</b>

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

	2023 \$'000	2022 \$'000
Balance at beginning of the year	(74)	(80)
Adjustment of accumulated surplus/(loss) on adoption of AASB 9	-	-
Decrease in provision due to transfers out	72	82
Amounts written off during the year as uncollectable	2	(2)
Increase in provision recognised in the net result	(46)	(74)
<b>Balance at end of the year</b>	<b>(46)</b>	<b>(74)</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 and debt investments at amortised cost

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

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

#### (b) Liquidity risk

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

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

See subsequent events in Note 8.9.

#### (c) Market risk

The Trust's exposure to market risk is primarily through interest rate risk.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Trust is not exposed to interest rate risk in relation to the loan with 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. The Trust has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits.

## Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000
<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>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>169,037</b>	<b>157,848</b>	<b>-</b>	<b>11,189</b>
<b>2022</b>					
<b>Financial assets</b>					
Cash and deposits	0.85	31,266	-	31,249	17
Investments	0.73	2,000	-	2,000	-
Receivables <sup>(a)</sup>		7,171	-	-	7,171
		<b>40,437</b>	<b>-</b>	<b>33,249</b>	<b>7,188</b>
<b>Financial liabilities</b>					
Payables <sup>(a)</sup>		7,926	-	-	7,926
Borrowings	1.13	156,077	156,077	-	-
		<b>164,003</b>	<b>156,077</b>	<b>-</b>	<b>7,926</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.

The Trust has no contingent assets or contingent liabilities to disclose at the date of this report (2022: \$0 million).

## 7.3 Fair value determination

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

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

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

## Fair value hierarchy

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

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

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

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

## 7.3.1 Fair value measurement hierarchy for assets

	Carrying amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Year ended 30 June 2023</b>				
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>-</b>	<b>16,400</b>	<b>425,500</b>
Buildings at fair value				
Specialised buildings	518,267	-	-	518,267
<b>Total of buildings at fair value</b>	<b>518,267</b>	<b>-</b>	<b>-</b>	<b>518,267</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>-</b>	<b>-</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>-</b>	<b>1,282</b>	<b>-</b>
Infrastructure at fair value				
Bridge	10,331	-	-	10,331
<b>Total of infrastructure assets at fair value</b>	<b>10,331</b>	<b>-</b>	<b>-</b>	<b>10,331</b>

	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 2022</b>				
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>-</b>	<b>16,400</b>	<b>425,500</b>
Buildings at fair value				
Specialised buildings	553,735	-	-	553,735
<b>Total of buildings at fair value</b>	<b>553,735</b>	<b>-</b>	<b>-</b>	<b>553,735</b>
Plant and equipment at fair value				
Plant and equipment	13,989	-	-	13,989
<b>Total of plant and equipment at fair value</b>	<b>13,989</b>	<b>-</b>	<b>-</b>	<b>13,989</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>-</b>	<b>1,282</b>	<b>-</b>
Infrastructure at fair value				
Bridge	10,744	-	-	10,744
<b>Total of infrastructure assets at fair value</b>	<b>10,744</b>	<b>-</b>	<b>-</b>	<b>10,744</b>

There were no changes in valuation techniques throughout the period to 30 June 2023. For all assets measured at fair value, the current use is considered the highest and best use.

**Land, buildings and infrastructure**

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

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

Independent valuations of the Trust's land, buildings and infrastructure assets were performed by independent valuers for the 2021 financial year and conform to Australian Valuation Standards. The land valuation was performed by the Department of Environment, Land, Water and Planning was calculated based on the fair value using the market approach less 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 2023 as a full revaluation was not required, a fair value assessment was still performed to assess whether the asset's carrying value still materially reflects its fair value. Fair value assessments for land and buildings were determined using separate annual indices for land and buildings supplied by Valuer-General Victoria as noted in 4.1.1. The decision was made that movements were not material (less than or equal to 10% for a full revaluation. 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. The last revaluation performed for artwork was for the financial period ending at 30 June 2020.

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

**Plant and equipment**

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

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

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

**7.3.2 Reconciliation of level 3 fair value**

	Plant and equipment \$'000	Buildings \$'000	Land \$'000	Infrastructure Assets \$'000
<b>Year ended 30 June 2023</b>				
Opening balance	13,989	553,735	425,500	10,744
Purchases (sales)	(4,887)	-	-	-
Transfers in/(out) of level 3	-	-	-	-
Depreciation	1,737	(35,468)	-	(413)
<b>Subtotal</b>	<b>10,839</b>	<b>518,267</b>	<b>425,500</b>	<b>10,331</b>
Revaluation	-	-	-	-
<b>Closing balance</b>	<b>10,839</b>	<b>518,267</b>	<b>425,500</b>	<b>10,331</b>
<b>Year ended 30 June 2022</b>				
Opening balance	17,100	588,187	425,500	11,157
Purchases (sales)	2,144	978	-	-
Transfers in/(out) of level 3	-	-	-	-
Depreciation	(5,255)	(35,430)	-	(413)
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revaluation	-	-	-	-
<b>Closing balance</b>	<b>13,989</b>	<b>553,735</b>	<b>425,500</b>	<b>10,744</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 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 metre</li> </ul>

**8. Other disclosures**

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

**8.1 Adjustment of a prior period error**

Prior to FY23, the Trust treated the partial amount paid for the land at Montague Street, Southbank (Site X) as an asset in its financial statements with an expectation that an allocation statement will be issued from the Department for the contribution made. During FY22, the Department has advised there will be no allocation statement issued. The Trust discussed the treatment of this land deposit with a view to clarifying its status in our financial records and had decided to reverse the treatment of Site X as an asset and do so as a prior period error. The error is shown below and overall impact on the reduction of surplus as at 30 June 2022 by \$10,000,000.

**Impact of correction of an error on comprehensive operating statement**

	As at 30 June 2022 (restated) \$'000	Write -off of deposit on land – Site X \$'000	As at 30 June 2022 (as previously reported) \$'000
<b>Continuing operations</b>			
<b>Revenue and income from transactions</b>			
Sales of goods and services	38,886	-	38,886
Interest	48	-	48
Grants	60,730	-	60,730
Other income	121,589	-	121,589
<b>Total revenue and income from transactions</b>	<b>221,253</b>	<b>-</b>	<b>221,253</b>
	-	-	-
<b>Expenses from transactions</b>			
Supplies and services	38,539	-	38,539
Employee expenses	37,924	-	37,924
Interest expense	1,779	-	1,779
Depreciation	41,486	-	41,486
Other operating expenses	10,428	10,000	428
<b>Total expenses from transactions</b>	<b>130,156</b>	<b>10,000</b>	<b>120,156</b>
	-	-	-
<b>Net result from transactions (net operating balance)</b>	<b>91,097</b>	<b>(10,000)</b>	<b>101,097</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	(16)	-	(16)
Other gains/(losses) from other economic flows	195	-	195
<b>Total other economic flows included in net result</b>	<b>179</b>	<b>-</b>	<b>179</b>
	-	-	-
<b>Net result</b>	<b>91,276</b>	<b>(10,000)</b>	<b>101,276</b>

Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	-	-	-
<b>Total other economic flows – other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-
<b>Comprehensive result</b>	<b>91,276</b>	<b>(10,000)</b>	<b>101,276</b>

## Impact of correction of an error on balance sheet

	As at 30 June 2022 (restated) \$'000	Write -off of deposit on land – Site X \$'000	As at 30 June 2022 (as previously reported) \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	31,266	-	31,266
Receivables	7,171	-	7,171
Investments and other financial assets	2,000	-	2,000
<b>Total financial assets</b>	<b>40,437</b>	<b>-</b>	<b>40,437</b>
	-	-	-
<b>Non-financial assets</b>			
Inventories	536	-	536
Property, plant and equipment	1,023,288	-	1,023,288
Other non-financial assets	1,375	(10,000)	11,375
<b>Total non-financial assets</b>	<b>1,025,199</b>	<b>(10,000)</b>	<b>1,035,199</b>
	-	-	-
<b>Total assets</b>	<b>1,065,636</b>	<b>(10,000)</b>	<b>1,075,636</b>
<b>Liabilities</b>			
Payables	8,967	-	8,967
Borrowings	156,330	-	156,330
Employee related provisions	5,409	-	5,409
Other liabilities	18,935	-	18,935
<b>Total liabilities</b>	<b>189,641</b>	<b>-</b>	<b>189,641</b>
	-	-	-
<b>Net assets</b>	<b>875,995</b>	<b>(10,000)</b>	<b>885,995</b>
<b>Equity</b>			
Accumulated surplus/(deficit)	(180,120)	(10,000)	(170,120)
Physical asset revaluation surplus	419,966	-	419,966
Contributed capital	636,149	-	636,149
<b>Net worth</b>	<b>875,995</b>	<b>(10,000)</b>	<b>885,995</b>

## 8.2 Other economic flows included in net result

	2023 \$'000	2022 \$'000
<b>(a) Net gain/(loss) on non-financial assets</b>		
Net gain/(loss) on disposal of property plant and equipment	(16)	(16)
<b>Total net gain/(loss) on non-financial assets</b>	<b>(16)</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	(570)	195
<b>Total other gains/(losses) from other economic flows</b>	<b>(570)</b>	<b>195</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.

## 8.3 Asset revaluation reserve

	2023 \$'000	2022 \$'000
Balance at beginning of the year	419,966	419,966
Revaluation increments/(reduction)	-	-
<b>Balance at end of the year</b>	<b>419,966</b>	<b>419,966</b>
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Land	378,890	378,890
Buildings	28,571	28,571
Infrastructure	11,421	11,421
Cultural assets	1,084	1,084
<b>Total asset revaluation reserve</b>	<b>419,966</b>	<b>419,966</b>



## 8.4 Responsible persons

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

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

Minister for Tourism, Sport and Major Events	Mr Steve Dimopolous	1 July 2022 to 30 June 2023
Chairperson – Governing Board	The Hon John Brumby AO	1 July 2022 to 30 June 2023
Governing Board	Ms Sandra (Sam) Andersen	1 July 2022 to 16 September 2022
Governing Board	Mr Michael Burn	1 July 2022 to 30 June 2023
Governing Board	Mr Charles Donnelly	1 July 2022 to 30 June 2023
Governing Board	Ms Marie Jackson	1 July 2022 to 7 August 2022
Governing Board	Mr Jonathan Metcalfe	1 July 2022 to 31 March 2023
Governing Board	Ms Diana Taylor	1 July 2022 to 30 June 2023
Governing Board	Mr Peter Jones AM	27 September 2022 to 30 June 2023
Governing Board	Ms Virginia Lovett	27 September 2022 to 30 June 2023
Governing Board	Ms Sujata Stead	1 April 2023 to 30 June 2023
Chief Executive	Mr Peter King	1 July 2022 to 8 January 2023
Chief Executive	Ms Natalie O'Brien AM	9 January 2023 to 30 June 2023

Remuneration received or receivable by the Accountable Officer in connection with the management of the Trust during the reporting period was in the range: \$540,000 - \$549,999 (2022: \$570,000 - \$579,999).

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

## 8.5 Remuneration of senior executives

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

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

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

Remuneration of executive officers	Total remuneration	
	2023 \$'000	2022 \$'000
Short-term employee benefits	1,322	1,285
Post-employment benefits	185	169
Other long-term benefits	23	60

Termination benefits	-	311
<b>Total remuneration</b>	<b>1,530</b>	<b>1,825</b>
<b>Total number of executives</b>	<b>4</b>	<b>6</b>
<b>Total annualised employee equivalents<sup>(a)</sup></b>	<b>4.00</b>	<b>3.94</b>

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

## 8.6 Related parties

Related parties of the Trust include:

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

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

### 8.6.1 Significant transactions and balances with government-related entities

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

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

#### (a) Revenue

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

Government entity	2023 \$'000
Department of Education	619
Visit Victoria	325
Victorian Multicultural Commission	312
Victorian Fisheries Authority	283
Royal Botanic Gardens Victoria	238
Department of Education and Training	220
Australia New Zealand Policing Advisory Agency (ANZPAA)	208
Secretary to Department of Families, Fairness and Housing	154
Department of Health Victoria	123
Department of Families Fairness and Housing	115
<b>Total</b>	<b>2,596</b>

There were 17 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 \$593K.

At financial year end there was \$214K owing from Victorian Government entities as reported in Note 5.1 Receivables. This balance is owed by eight different entities.

**(b) Services received**

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

**DJSIR**

Transactions with DJSIR total \$10.8 million and relate to:

- Costs associated with quarterly service payments including, facility management costs (\$4.1 million), insurance (\$207K) and wall reconfiguration costs (\$166K).
- Event cleaning (\$3.6 million).
- State initiated modifications (\$1.3 million) – costs associated with an increase to the quarterly service payment due to purchase and installation of infrastructure and equipment that has ongoing lifecycle and maintenance costs.
- Reviewable services (\$1.4 million) – quarterly service payment for cleaning and security services per the MCCD Project Agreement.
- 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. MCET records the expenses and revenue as per AASB1058 accounting treatment, however there are no direct transactions regarding this PPP arrangement between DJSIR and MCET for these costs.

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

**State Revenue Office (SRO)**

Transactions with SRO total \$361K. 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.

**Victorian Managed Insurance Authority (VMIA)**

Transactions with VMIA total \$316K and relate to the Trust's insurance policies.

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

**South East Water Ltd**

Transactions with South East Water Ltd total \$304K and relate to utilities.

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

**8.6.2 Key management personnel**

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

Chief Financial Officer	Mr Stuart Davies	1 July 2022 to 30 June 2023
Chief Operating Officer	Ms Helen Fairclough	1 July 2022 to 30 June 2023
Chief People Officer	Ms Amanda Wilson	1 July 2022 to 30 June 2023
Chief Commercial Officer	Ms Melissa Sweetland	1 July 2022 to 30 June 2023

	2023 \$'000	2022 \$'000
<b>Compensation of key management personnel</b>		
Short-term employee benefits	2,126	2,102
Post-employment benefits	185	169
Other long-term benefits	23	60
Termination benefits	132	311
<b>Total<sup>(a)</sup></b>	<b>2,466</b>	<b>2,642</b>

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

**Transactions and balances with key management personnel**

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

**Governing Board – Peter Jones AM**

Peter Jones AM is the Managing Director of Peter Jones Special Events (PJSE Consulting). PJSE Consulting managed events on behalf of their clients at the Centre, which contributed \$122K as revenue in FY23.

**8.7 Remuneration of auditors**

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

	2023 \$'000	2022 \$'000
Payable as at 30 June	48	42
<b>Total</b>	<b>48</b>	<b>42</b>

**8.8 Other accounting policies****Contributions by owners**

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

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

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

**Foreign currency balances/transactions**

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

**8.9 Subsequent events**

Subsequent to the reporting period, the Trust received a letter of support from the Department on 6 September 2023 which gives the Trust confidence to prepare 2022-23 Annual Financial Report on a going concern basis to meet the requirements of Australian Accounting Standards Board (AASB) 101 Presentation of Financial Statements.

After the reporting period, the State announced the successful bidder for the future convention centre in Geelong, expected to open in early 2026. It appointed Plenary Conventions to lead a consortium of architects, builders and developers to deliver the project as a Public Private Partnership. Following the successful bidder announcement, the State announced the centre will be named Nyaal Banyul Geelong Convention and Event Centre. The Trust will be the operators of the centre when it opens in 2026.

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

As at 30 June 2023, the following Australian Account Standards (ASAs) have been issued by the AASB but are not yet effective and may have an impact on the Trust. They become effective for reporting periods commencing after the stated operative dates as follows:

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2020-1 <i>Amendments to Australian Accounting Standards</i> – classification of liabilities as current or non-current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the balance sheet as current or non-current	1 January 2024	Amendments are not anticipated to have a material impact

## 8.11 Glossary of technical terms

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

### Borrowings

Borrowings refer to interest bearing liabilities raised through 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 nonmonetary 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.

### Financial statements

A complete set of financial statements comprising:

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

### Grants

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

### Interest expense

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

### Interest income

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

### Investments

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

### Leases

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

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

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

### Net result

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

### Net result from transactions/net operating balance

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

### Net worth

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

### Non-financial assets

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

### Operating result

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

**Other economic flows included in net result**

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

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

**Other economic flows – other comprehensive income**

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

- changes in physical asset revaluation surplus.

**Other income**

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

**Payables**

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

**Receivables**

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

**Sales of goods and services**

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

**Service equipment**

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

**Supplies and services**

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

**Transactions**

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

**Work in progress**

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

## Disclosure index

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

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