



MELBOURNE  
CONVENTION  
EXHIBITION  
TRUST

Melbourne Convention  
and Exhibition Trust

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# ANNUAL REPORT 2014-2015



Melbourne Convention and Exhibition Trust

**ANNUAL REPORT**  
**2014-2015**





**Melbourne Convention and Exhibition Trust**

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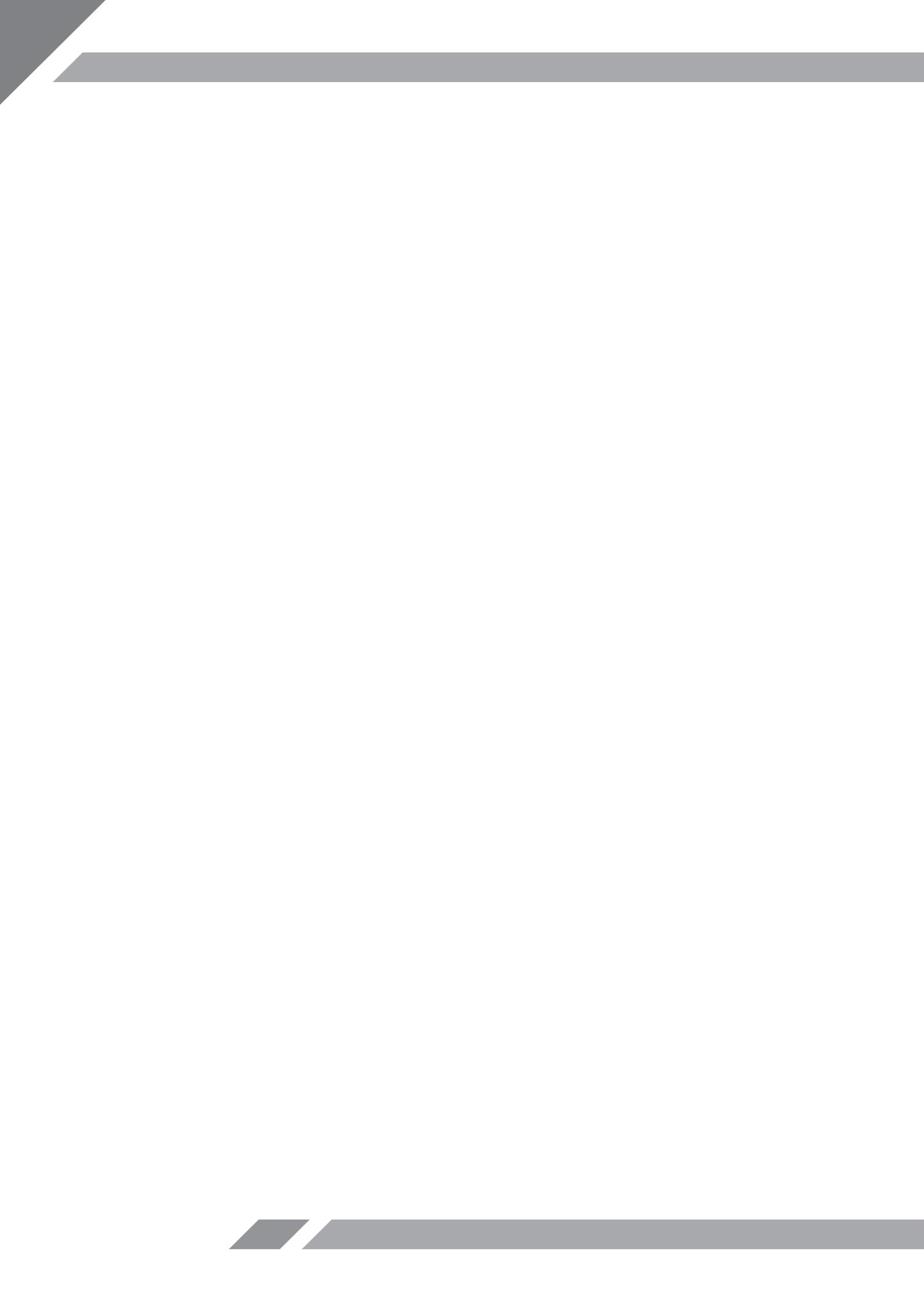
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# CHAIRPERSON'S FOREWORD



# Chairperson's Foreword

I am pleased to provide the annual report of the operations and audited financial statements of Melbourne Convention and Exhibition Trust (the Trust) for the year ended 30 June 2015.

This report provides consolidated information on the activities of the Melbourne Convention and Exhibition Centre (the Centre) located in South Wharf. The Centre comprises the Melbourne Exhibition Centre opened in February 1996 and the Melbourne Convention Centre opened in June 2009. These two facilities are fully integrated operationally and trade as the Melbourne Convention and Exhibition Centre under the direction of the Trust.

Performance of the Centre for the 2014/15 financial year was heavily influenced by the following:

- increased competition from local, national and international venues and destinations;
- a challenging economic environment, particularly the variable economic recovery, which continues to impact the business events industry;
- the successful introduction of key customer account management;
- maximising procurement gains and increased efficiencies, especially in food and beverage;
- diversifying the types of events conducted at the Centre to ensure space utilisation and generate new revenue streams; and
- changing customer and visitor expectations.

The Centre recorded its highest revenue in history with \$78 million in operating revenue, a \$5.9 million increase on 2013/14. The largest revenue growth was in venue hire (\$3.2 million, 12.5 per cent) and catering (\$2.1 million, 8.7 per cent).

Over the last 12 months, 921 events were held at the Centre. These events attracted 724,360 delegates, including 27 international conventions which attracted 33,876 delegates and 53 national conventions which attracted 44,276 delegates for conferences, and conferences and exhibitions.

The exhibition market had a strong year with 78 exhibitions held at the Centre.

Our smaller meeting and events market contributed \$5.7 million in short term business and continued to provide good growth for the Centre.

A selection of events held at the Centre in 2014/15 included:

- Penny Arcade Expo (PAX) 2014;
- Association of Superannuation Fund of Australia National Conference and Super Expo 2014;
- Arnold Classic Australia 2015;
- Melbourne Boat Show 2015;
- Australian Human Resources Institute National Convention and Exhibition 2014;
- Australia Petroleum Production & Exploration Associations 2015;
- Engineers Australia National Convention 2014; and
- Australian Orthopaedic Association Annual Scientific Meeting 2014.

The Centre recorded a positive result pre-depreciation and interest expense of \$17.3 million compared to \$15 million in 2013/14. Interest charges in relation to the loan entered into as part of the financing arrangements for the Convention Centre and depreciation totalled \$30.6 million, resulting in a net deficit of \$13.3 million.

The Centre generated net cash flows from operating activities of \$15.1 million and continued to invest in refurbishing facilities in the Exhibition Centre and upgrading technology throughout both buildings.

The Trust invested \$5.0 million in capital works to respond to trends and competition within our industry across all asset classes. This included significant investment in digital infrastructure technology and an Exhibition Centre power upgrade.

The Trust also invested in both people and processes in the areas of safety, procurement and inventory management, which has resulted in cost efficiencies, better supplier control and a reduction in injuries among employees, contractors and visitors.

The Centre continues to be the venue of choice in Melbourne for major exhibitions and national conferences. The major competitive focus is on the International Convention Centre Sydney which is due to be completed at the end of 2016 following a \$1 billion investment. Brisbane and Adelaide have both completed significant upgrades.

The announcement in the Victorian State Budget of up to \$210 million for the Centre's expansion was welcome news for the industry and State to ensure the Centre retains its position as Australia's number one business events destination. The expansion proposal meets the global demand for multi-purpose convention and exhibition space. The proposal also supports the work the Centre conducts with the Melbourne Convention Bureau (MCB) to attract major business events to Victoria, and aligns with the government's Victorian Visitor Economy Review to support the growth and development of this sector.

Major infrastructure investment in the Middle East is ongoing, including large facilities completed in Dubai and Abu Dhabi. The Centre is increasingly competing with this region for international business. The Qatar National Convention Centre is now open and work has commenced on Oman Convention and Exhibition Centre which is set to be completed in 2016. Korea, Singapore, Macau, China and Malaysia are all major players within the business events industry with governments providing event subsidies.

Despite the increasingly competitive marketplace, the Centre is recognised globally for its excellence in event delivery and in 2014/15, hosted some of the largest medical conferences in the world including the International AIDS Conference; International Congress of the World Federation of Haemophilia; World Cardiology Congress; and World Cancer Congress. The biggest challenge for the Centre today is trying to accommodate our customers' future events.

Key account management is in place with targeted customers to ensure the Centre builds on repeat business, with each event class having a specific marketing and growth strategy. The Centre undertook external customer journey research to identify opportunities to improve service, streamline processes and position the Centre as market leaders in an ever increasing competitive space. Our customer satisfaction rating is just over 87 per cent, which is the highest level yet achieved, and the Trust is committed to ongoing quality service, ongoing improvement and a continuing upward trend in the satisfaction rating of its customers.

The Centre continues to work closely with the MCB to drive the "Hero Event" strategy based on attracting large international conventions to Melbourne. In 2014/15, 27 international conventions took place at the Centre. This generated 14 per cent of the Centre's total revenue but more importantly, had a positive economic impact of \$151 million for the State.

The Centre's world-leading Club Melbourne Ambassador Program, in collaboration with MCB and the Victorian State Government, introduced a strategy to strengthen the program to align more closely with government sectors and target high value domestic and international conferences. In 2014/15 Club Melbourne Ambassadors helped to win 16 International events yielding an estimated economic impact of just over \$50.3 million for Victoria. Additionally, in 2014/15 Club Melbourne Ambassador Program created three inaugural events with an estimated economic impact of \$2.1 million for Victoria.

Significant international business events held in 2014/15 included:

- International AIDS Conference 2014;
- Young Presidents Organisation/World Presidents Organisation Global Leadership Conference and Global Edge 2015;
- World Congress of the International Geothermal Association 2015;
- Joint World Conference on Social Work, Education and Social Development 2014;
- 2014 World Cancer Congress; and
- International Gynaecologic Cancer Society Meeting 2014.

The ongoing focus on building a culture that employees can embrace with pride was a continued focus for the Centre in 2014/15. The employee-driven organisation-wide culture program "unity" is built around a set of guiding principles created by employees. It has enabled the Centre to maintain its delivery of successful event experiences for its customers and the Trust will continue to invest in "unity" through inductions, training, ongoing support of personal development and reward and recognition. Regular employee and customer surveys continue to be undertaken to monitor the success of "unity".

The Centre is continuing to enhance its engagement with the local community through the ongoing hosting of its Open Space event and continues to showcase Victorian farmers, producers and wineries. In 2014/15 many community and cultural events were supported along with a number of charity organisations including Variety, The Royal Children's Hospital, Starlight Children's Foundation and, for the first time, the Vinnies CEO Sleepout.

The Centre commenced a long term agreement with The Royal Children's Hospital Good Friday Appeal in 2013/14. It is the largest community event held at the Centre and in 2015, almost 80,000 Victorians attended the day and raised more than \$17 million for the Appeal. The Centre provided the space for the annual fundraising event, opened its doors to the public and showcased the Centre's commitment to the local community.

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Over the past 12 months, the Centre has been successful in winning many awards for excellence, technology, in-house catering and business tourism.

Examples of awards won by the Centre include

- 2015 INCON Digital Infrastructure Award
- 2014 National Meetings and Events Australia Awards - Banqueting and Catering
- 2014 National Meetings and Events Australia Awards - In-house AV Services
- 2014 Victorian Meetings and Events Australia Awards - Meeting Venue 500 delegates or more
- 2014 Victorian Tourism Awards – Business Tourism – Hall of Fame inductee
- 2014 World Travel Awards – Australasia's Leading Meetings and Conference Centre
- 2014 EEAA Awards for Excellence – Best Venue Team
- 2014 Royal Melbourne Fine Food Awards – five medals awarded

The Centre is a wonderful community asset, a world class venue, and delivers an important economic return back to Victoria.

I would like to take this opportunity to thank my fellow Trustees for their contribution during 2014/15. The hard work and dedication of all Trustees has been much appreciated.

Above all, on behalf of all my fellow Trustees, I would like to recognise and commend the efforts of the Centre's Chief Executive Peter King, our senior management and all employees for their tremendous commitment and exemplary performance. This has been a record year once again and the way in which every challenge has been met and overcome is a credit to our management and employees.

Finally, I welcome the new Minister for Tourism and Major Events, The Hon John Eren MP, and thank him and his personal staff for their significant support. I also want to thank the team at the Department of Economic Development, Jobs, Transport and Resources who have been tremendously supportive and encouraging throughout this standout year.



Robert H Annells PSM  
Chairperson  
**Melbourne Convention and Exhibition Trust**



# OPERATIONS REPORT

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# Introduction

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This Annual Report describes the functions and operations of the Trust and presents the Audited Financial Statements of the Trust for the year ended 30 June 2015.

The report includes information about the Trust and the management of resources under its control and is submitted to Parliament under the *Financial Management Act 1994, s.46(1)*.

## History and Background

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

On 5 May 2015, the Victorian State Government announced up to \$210 million for the expansion of the Centre in the 2015/16 State Budget. The completion of MCEC's expansion is expected to result in an additional 74,000 international visitors annually, create hundreds of jobs and provide an estimated \$167 million boost to the economy.

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

## Powers and Duties

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

# Functions

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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; and
  - 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 and Performance Review

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## Our Vision

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

## Our Mission

To connect people through memorable experiences.

## STRATEGIC PILLARS

### Our People and Culture

To be the employer of choice.

### Our Customer

To be the customer's venue of choice in the region.

### Our Corporate and Financial Health

To be financially sustainable and maintain prudent corporate decisions.

### Our Community

To grow our community impact.

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The Trust's target is to attain optimum utilisation of available space, enhance the profile of the Centre and the State as 'a place to do business' and achieve the specific objectives by implementing the following strategies:

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## OUR PEOPLE AND CULTURE

To be the employer of choice.

### Strategies:

- Rebrand Human Resources department to People and Culture and develop a strategy to review current skills within the business, assess for future needs and develop capabilities to grow the business.
- To continue to refine the Centre's organisational structure and ensure the focus is to exceed our customers' expectations and be the venue of choice for employment within the industry.
- Continued investment in the Centre's employee-driven cultural program "unity" to deliver a more innovative and rewarding working environment.
- Provide ongoing support and investment for the Centre's internal innovation program THINK to encourage, capture and nurture innovation across MCEC through employees' ideas.

- To implement a performance driven culture and talent management program, including introducing an organisation wide performance management system, and career path and succession planning to position us as an employer of choice and assure the Centre's growth and competitive edge for the future.
- Design and implement a talent acquisition roadmap to attract quality talent and build a robust candidate pool, elevate our employer brand externally, and clearly outline our employee value proposition to prospective employees.

#### **Performance Review:**

The Centre rebranded its Human Resources department to People and Culture and developed a people strategy and five year plan with a focus on its employees to ensure they are engaged, trained and aligned to grow and evolve the business.

The Trust continues to invest in the Centre's internal cultural program "unity" which has had a positive impact on the business and strong employee engagement. The program, along with a talent and performance management, high potential identification and assessment, career path planning and succession planning will ensure the Centre remains at the forefront of the industry.

Work commenced on a new performance management framework which integrates "unity" behaviours to continually improve and drive the performance of our employees through the introduction of an annual review cycle and range of ongoing activities.

The Centre's innovation program THINK continues to benefit the business as employees are encouraged to submit ideas to the Executive team to capture and nurture innovation across the Centre. A number of THINK ideas were implemented over the last 12 months and there are a number of active projects due for completion or in contemplation for the next financial year.

A talent acquisition roadmap has been developed for the Centre and work is underway to elevate our employer brand and articulate our employee value proposition to prospective employees, allowing us to attract quality talent and build a robust candidate pool.

In 2014/15 the Centre has continued to reduce employee turnover from 16.06 per cent to 10.98 per cent.

## **OUR CUSTOMER**

To be the customer's venue of choice in the region.

#### **Strategies:**

- Continue to work closely with the MCB to drive the "Hero Event" strategy based on attracting large international conventions to Melbourne.
- Develop a strategy to strengthen the Club Melbourne Ambassador Program to align more closely with government sectors and target high value domestic and international association conferences.
- Continue key account management program to work more closely with major customers and implement specific growth strategies for each event class.
- Manage space optimisation along with yield management by maximising the use of the facilities and South Wharf precinct in conjunction with customers.
- Undertake external customer journey research to identify opportunities to improve our service, streamline processes and position the Centre as market leaders in an ever increasing competitive space.
- To continue the ongoing external market research program that monitors current and future customer requirements and competitor services and facilities.
- Development of and participation in business development activities with a range of business partners, particularly the MCB, City of Melbourne, State and Federal government, industry and tourism bodies, customers and suppliers.
- Ensure sales activities are targeted towards events that generate maximum economic benefit relative to the government's investment in the Centre and/or are consistent with its ongoing industry and business development policies.
- Develop and implement, in partnership with the State, City of Melbourne and the MCB, a three to five year sales and marketing plan that ensures long-term bookings for business events and meets the financial and economic objectives of the Centre.

## Performance Review:

To stay ahead of increasing global competition and plan for the Centre's expansion an external research company was engaged to look at the processes customers undertake when interacting with MCEC. This has identified areas to improve service, streamline processes and position the Centre as market leaders.

In addition to this, the Centre conducted its quarterly market customer research with satisfaction ratings rising to 87 per cent across all areas of the Centre's business. This is the best result we have achieved since the commencement of the research. The level of satisfaction has increased over the past five years from 75 per cent.

The Centre is close to full capacity and it continues to remain a challenge to accommodate more bookings. The continuing trend of "convex" business (convention and exhibition) is challenging utilisation. Occupancy, utilisation and business mix levels are monitored weekly and reported monthly to ensure the Centre is optimising the use of space.

The Trust introduced strategies to strengthen customer relationships including the ongoing key account manager program to ensure it builds repeat business. The Centre has continued to progress its process improvement initiative called "blueprint" to streamline the customer experience and manage expectations in the event planning and delivery phases. This business process mapping project aims at making it easier for our customers to do business with MCEC by improving our customer-facing and internal processes.

The focus of the Trust remains the attraction of national and international conventions. There are currently 36 international conventions of various sizes booked and almost 75 national conventions booked over the next two years.

In 2014/15 the Centre delivered some of the world's largest medical and scientific conferences, including the International AIDS Conference and World Cancer Congress. These types of events are getting more difficult to attract as the world builds more convention infrastructure and international competition bids more aggressively to fill the space and justify the investment in buildings.

The Centre is an active participant in the Tourism Australia Associations Program, which is a co-operative campaign aimed specifically at the international associations market segment, and the Business Events Council of Australia, which continues to seek more active involvement of the Federal Government and Tourism Australia in this area.

The Trust continues to contribute financially to support the MCB and works closely with them to develop and implement a fully integrated sales and marketing program each year.

Over the year, the Centre has continued to work closely with the MCB to deliver large international business events. Whilst this is challenging due to the global competition, it is even more difficult now with the impending International Convention Centre Sydney opening in 2017.

The CityWide support program and the Business Events Fund are both critically important in winning particular bids for international conferences for Melbourne.

The Club Melbourne Ambassador Program has continued to have a positive impact on the business over the last 12 months. In 2014/15 52 per cent of all international conferences secured for Melbourne by the MCB had Ambassador involvement. Club Melbourne Ambassadors helped to win 16 event bids, yielding an estimated economic impact of \$50.3 million for the State of Victoria.

Club Melbourne currently consists of 132 inducted Ambassadors and collectively they have been involved in securing more than 100 international conventions for the Centre, worth over \$590 million to Victoria.

Club Melbourne has also introduced an inaugural event strategy, working with Ambassadors and organisations to support the creation of new business events in Melbourne in line with the State Government's priority sectors. This will be a vital area for the Centre to invest in and promote for future opportunities.

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

The Trust works with Plenary Conventions Hotel Pty Ltd and the Hilton Melbourne South Wharf to jointly promote corporate meetings through South Wharf Meeting and Events (SWME). Over the last 12 months SWME has attracted approximately 595 business events. This partnership plays a key role in our pick-up within the financial year, with close to 60 per cent achieved through SWME.

During the last 12 months operating margins have generally improved. However, in the current financial environment the Centre is facing more and more pressure to maintain these margins. This pressure is being impacted by rapidly changing customer expectations which are adding complexity to our business model. More complexity equals more cost but the customer expects "value add" elements free of charge.

## OUR CORPORATE AND FINANCIAL HEALTH

To be financially sustainable and maintain prudent corporate decisions.

### Strategies:

- Continue to invest in and manage the 12 month rolling financial forecasting system to facilitate better budgeting and early identification of revenue and expenditure trends.
- To continue to enhance our procurement and asset management strategy allowing the Centre to drive efficiencies, cost savings, rationalise the supplier base and improve customer relationships.
- To continue to invest in Occupational Health and Safety (OH&S) and the delivery of a safe workplace. To ensure the Trust is delivering best practices and providing leadership in safety.
- To work with all stakeholders involved in the expansion of the Centre.
- An active engagement program with industry bodies and individuals to ensure that facility development trends and future requirements are identified and considered for implementation when appropriate.
- An active communication program with precinct partners and other major industry participants, such as Melbourne's hotel community to ensure support for all aspects of the Convention Centre development and its ongoing achievement of business targets.
- Continue to ensure the Centre maintains world class compliance and risk management protocols. The risk management framework, in particular, is a high priority for the Trust.

### Performance Review:

An integrated financial forecasting system has been introduced and covers all business units. A rolling 12 month forecast is updated monthly to provide management with current information to assist with budgeting and analysis. Work is continuing to refine our forecasting techniques.

MCEC has continued to review and refine the asset management strategy. This is focusing on short term capital expenditure and priorities but also to look at a three-year plan and then a longer perspective of 10 years.

The Trust has an ongoing facility development program for both the Convention Centre and the Exhibition Centre. This program is in addition to the responsibilities of Plenary Conventions Pty Ltd (Plenary), the private sector builder and facility manager.

The Trust is particularly focused on continued improvement to operating systems and equipment and Plenary is focused on the ongoing maintenance of the standard of the Centre.

In the last 12 months the Trust has invested more than \$5.0 million from its reserves in the implementation of its capital works program. A significant element was continued investment in technology, specifically the digital signal upgrade where optic fibre and associated digital routers are being used to replace outdated analogue infrastructure. Another was the Exhibition Centre power upgrade to meet the increasing power needs of the exhibition industry and again to enhance the Centre's safety profile.

A comprehensive plan for the staged refurbishment of both facilities into the future is produced by Plenary as part of its facility management responsibilities. This plan is reviewed by the Trust to ensure it remains appropriate to address any changes in circumstances that have occurred since it was initially developed in 2006.

The ongoing implementation of a comprehensive health and safety program for all persons who visit the Centre has resulted in minimised health and safety instances occurring per period.

The Centre reports monthly to the Trust regarding OH&S and procurement functions of the business. Ongoing independent assessment of OH&S and related practices are undertaken to monitor whether industry best practice standards are being achieved.

A reduction of 18 per cent in total incidents was achieved along with a 78 per cent reduction in our Lost Time Injury Frequency Rate, which measures the numbers of injuries serious enough to result in a missed shift. There have been no employee incidents of a serious nature during the year which is a tribute to employee diligence and the high level of health and safety practices currently in place.

Ernst and Young, as part of the Trust's internal audit program, also monitors the performance in this area and their ongoing review has confirmed the excellent level of performance achieved in the Trust's operation of the Centre.

There are weekly meetings between the Trust's officers and Plenary to monitor performance and there are monthly meetings with the State to review performance at a higher level.

The Trust continues to take an active role in inter-Centre forums in relation to operations, sales and marketing, finance, human resources, IT and communications. These forums serve to better inform both ongoing operational activities and systems and also provide useful competitive insights to enable further product development to take place.

The Trust also plays an active and at times leading role in committees and organisations including:

- the International Congress and Convention Association;
- the Business Events Council of Australia;
- the Exhibition and Event Association of Australia;
- Meetings and Events Australia;
- Conventions Australia;
- Destination Melbourne;
- MCB; and
- South Wharf Precinct operations, development and marketing committees.

During the last 12 months regular briefings have been held for Melbourne hoteliers and for an extensive variety of related sales and marketing and relevant community bodies.

The announcement of MCEC's expansion in the Victorian State Budget that the government is allocating up to \$210 million to the further upgrade and expansion of the Centre was welcome news for the Centre and industry. As the Centre has been turning away potential new business opportunities due to lack of available space, the expansion which is due to be completed in 2018, will ensure Melbourne remains the number one destination for business events in Australia.

Work continues with government on the detailed functional design work and procurement and delivery model.

## OUR COMMUNITY

To grow our community impact.

### Strategies:

- To continue to refine and implement work being conducted by a group of stakeholders, both internal and external, to focus on sustainability and managing the business in an environmentally friendly manner.
- Develop a structured engagement plan for community partners to deliver a positive impact.

### Performance Review:

The last 12 months has seen the Centre maintain all relevant accreditations and continue its efforts towards achieving the highest levels of environmental accreditation. The Centre has a silver status with EarthCheck for its environmental management program. EarthCheck is an internationally recognised certification program designed for the travel and tourism industry.

The Centre's "Environmental Taskforce" continues to drive positive environmental outcomes for the Centre. The collaboration between MCEC, Plenary and Brookfield has successfully reduced the impact our business has on the environment, including sustainability improvements to electricity, gas, water, paper, waste and more. A significant increase in diversion of waste from landfill has been achieved.

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In 2014/15 MCEC continued its work in specific areas of support for long standing partners including the Starlight Children's Foundation and Variety Australia.

The Centre hosted and sponsored The Royal Children's Hospital Good Friday Appeal for the second time with a number of our employees volunteering their time to help deliver this event. We had around 80,000 Victorians attend and it continues to be the largest community engagement event the Centre hosts. The Centre also hosted and supported the Vinnies CEO Sleepout for the first time.

The Trust is also an active supporter of SecondBite, OzHarvest and Hanover in providing left over food for the disadvantaged and homeless. In addition, the Centre's employees participated in many individual and group activities which have raised monies for specific not-for-profit groups. Most of these were coordinated by the CSR "Our Communities" committee and involve a significant level of employee and management participation.

# Trustees

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

## **MR ROBERT ANNELLS, PSM**

### **Chairman**

Mr Annells' tenure as Chairman was extended for 12 months to 11 August 2016 by the Minister for Tourism and Major Events. Mr Annells served as Chief Executive of Tourism Victoria from March 1993 to June 1998. Prior to this he was the inaugural Chief Executive of the Melbourne Docklands Authority. Mr Annells has been a member of the Trust and its predecessor Melbourne Exhibition Centre Trust since 1994 and has been the Chairperson since 1 January 1998. He was formally the Chairman of VicTrack and is currently the Chairman of TasRail and Forestry Tasmania.

## **MS YVONNE von HARTEL AM**

### **Trustee**

Ms von Hartel was reappointed to the Trust on 20 June 2014. She is a founding principal of the national architectural practice, peckvonhartel. She has extensive experience in the practice of architecture having worked on major projects in Australia and South East Asia, including infrastructure, commercial and mixed use developments, institutional projects and historic building refurbishments. She acts as Design Adviser to Australia's largest corporations and government agencies. Ms von Hartel is a Commissioner of the Victorian Building Authority, Director of the Queen Victoria Market, Council member of La Trobe University and a member of the University of Wollongong, SMART Infrastructure Advisory Council. Positions Ms von Hartel has held include Founding Director/Company Secretary of the Melbourne Forum, Director of the Linking Melbourne Authority, Chair of the Victorian Skills Commission and the Southbank Arts Precinct Working Group. Ms von Hartel previously served as a director of the publicly listed company, ConnectEast.

## **MS LINDA DEWAR**

### **Trustee**

Ms Dewar was reappointed to the Trust on 11 August 2012. Ms Dewar is currently Principal Consultant at Johnson Recruitment and Managing Director of Executive Adjunct. Previously she was the Director Service Improvement with GMCT and the Chief Operating Officer for CGU Insurance from 2006 to 2008. Prior to this Ms Dewar was the Chief Information Officer for NAB Retail Bank after previously serving eight years as a Senior Executive with ANZ Banking Group. Ms Dewar is a director on the board of Haven, Home Safe. A member of the Australian Institute of Company Directors, she holds a Graduate Diploma of Arts.

## **MS MARIE JACKSON**

### **Trustee**

Ms Jackson was reappointed to the Trust on 21 June 2014. With rich experience in the tourism, incentive and meetings industries, Ms Jackson is an Executive Director of Solterbeck, a leading performance improvement company that works with companies to increase the engagement and performance of their employees and channel partners. Prior to this, Ms Jackson managed major advertising agencies in Australia and New Zealand, and in that capacity has been a member of the M&C Saatchi worldwide board, a regional partner of Publicis Mojo, and a board director of Ogilvy & Mather.

## **MR JONATHAN METCALFE**

### **Trustee**

Mr Metcalfe was appointed to the Trust on 1 July 2013. He currently supports PwC Australia as their National Public Transport Lead Advisor, as well as also being the Principal of JNM Advisory Services Pty Ltd. Mr Metcalfe was Chief Executive Officer of Transdev, (formally Veolia Transport Australasia) from December 2009 to January 2015, having previously served as Executive Chairman of Veolia Transport's metropolitan rail business in Melbourne from January 2008. Prior to coming to Melbourne, Mr Metcalfe was Chief Executive Officer of Great North Eastern Railway (GNER) in the UK. Mr Metcalfe has extensive experience in passenger transport and a diverse background in human resources, customer services and general management, and was named as 'Safety Ambassador of the Year' by Safe Work Australia in 2013.

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**MS SANDRA (SAM) ANDERSEN****Trustee**

Ms Andersen was appointed to the Trust on 1 July 2013. She is an experienced financial services senior executive. Ms Andersen is also a Director and member of the Audit Committee and Risk Committee of Beyond Bank Australia, Director and Chair of the Audit & Risk Management Committee of Victrack, Director and Chair of the Audit Committee of Aneto Diagnostics Limited, and Director and member of the Audit & Finance Committee of Australian Hearing Services. In January of 2015, Ms Andersen was appointed as Chair of the Audit and Risk Committee for the Department of Premier and Cabinet. Ms Andersen is a former Managing Director of Eyecare Partners Limited, and a former Chief Financial Officer of listed technology companies. Ms Andersen has a Bachelor of Laws and is a Certified Practising Accountant. Ms Andersen is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors.

**MR MATTHEW MILLS****Trustee**

Mr Mills was appointed to the Trust on 1 July 2013. He is the National Sales and Marketing Director at GCP, a major manufacturer and supplier of materials to Horticulture, Agriculture and Retail. Matthew has extensive experience in operations management and development of large-scale entertainment, hospitality and customer service venues in Australia and Europe. As General Manager Multiplexes, with VCA and Hoyts, he has delivered and managed new multisite Cinema megaplex operations internationally. He held the role of General Manager at Macro Wholefoods Supermarkets and Diggers Seeds. Previously, as Business Development Manager of The Letter Corporation, oversaw a network of national outdoor advertising sites. Matthew also serves as a Trustee at Southern Metropolitan Cemeteries Trust, Trust for Nature Victoria and Chairs D.R.G.A.C, a Community Advisory of significant Gardens with Parks Victoria. He is a member of the Australian Institute of Company Directors.

# Trust Information

## APPOINTMENTS AND RESIGNATIONS

Mr Annells' Chairmanship was extended for three months until 11 August 2015.

## TRUST MEETINGS

A total of 11 Trust meetings were conducted during the year ended 30 June 2015.

	Held	Attended
Mr Robert Annells	11	10
Ms Yvonne von Hartel	11	9
Ms Linda Dewar	11	9
Ms Marie Jackson	11	11
Mr Jonathan Metcalfe	11	10
Ms Sandra (Sam) Andersen	11	10
Mr Matthew Mills	11	11

An internal assessment of the Trustees' performance was undertaken in 2014/15.

## SUB-COMMITTEES

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

During 2014/15 the Trust decided to rename the Remuneration Committee as the People and Culture Sub-Committee to better align with the organisation's focus regarding its employees and the overall business culture. A new charter was created outlining the Committee's roles and responsibilities moving forward.

### People and Culture Sub-Committee

Comprises all Trustees and is Chaired by Ms Marie Jackson.

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

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

### Risk Management Sub-Committee

Comprises all Trustees and is Chaired by Ms Sandra (Sam) Andersen.

The main responsibilities of the Risk Management Sub-Committee are to:

- Assist the Trust in reviewing the effectiveness of the organisation's identification and management of all risks associated with the Trust and its operations; and
- Oversee and monitor management's implementation of the Trust's Risk Management Plan to ensure that risks are appropriately identified, treated and reported.

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### **Finance and Audit Sub-Committee**

Ms Linda Dewar (Chair)  
Ms Sandra (Sam) Andersen  
Ms Marie Jackson

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

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

### **Capital Works Sub-Committee**

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

The main responsibilities of the Capital Works Sub-Committee are to:

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

### **CORPORATE PLAN**

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

# Management and Employees

For the year ended 30 June 2015, the Trust employed seven Trustees, 169 full-time employees and the full-time equivalent of eight part-time and 190 casual employees.

This compares to seven Trustees, 170 full-time employees and the full-time equivalent of seven part-time and 185 casual employees for the year ended 30 June 2014.

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

The Trust continues its ongoing commitment to Equal Employment Opportunity principles and reporting guidelines as outlined in the *Public Authorities (EEO) Act 1990*.

## EXECUTIVE MANAGEMENT

### CHIEF EXECUTIVE

#### Peter King

Peter is responsible for the overall management, business plan delivery and future strategic direction of the Centre. He also represents the organisation on a number of industry Boards and other committees, task forces and working groups.

### CHIEF OPERATIONS OFFICER

#### Leighton Wood

Leighton is responsible for the day to day operations of the Centre and the development of a robust strategic framework for the operations team. This includes acting in the Chief Executive's role as appropriate.

### CHIEF FINANCIAL OFFICER

#### Geoffrey Stephens

Geoffrey is responsible for financial management and reporting to the Trust, Finance and Audit Committee and the Government. He ensures financial and accounting policies and practices within the Centre are planned, developed and implemented to effectively and efficiently contribute to the achievement of the operational and strategic objectives of the Centre.

### DIRECTOR OF PEOPLE AND CULTURE

#### Helen Fairclough

The Director of People and Culture is responsible for the development, oversight and implementation of human resources and related policies. Responsibilities include employee relations, industrial relations, employee training and development, wages and salary administration, as well as the enhanced engagement and integration of the "unity" culture of the Centre across the business.

### DIRECTOR OF SALES, MARKETING AND CLUB MELBOURNE

#### Anne Jamieson

Anne manages the development, direction, implementation and co-ordination of cost efficient strategic sales and marketing initiatives for the Centre to maximise market share, sales potential and sales achievement in all business segments. She is also responsible for marketing activities including brand management, communications and advertising to attract a wide range of business in the local, national and international markets, combined with the management of the Club Melbourne Ambassador Program.

### DIRECTOR OF TECHNOLOGY OPERATIONS

#### Michael Walsh

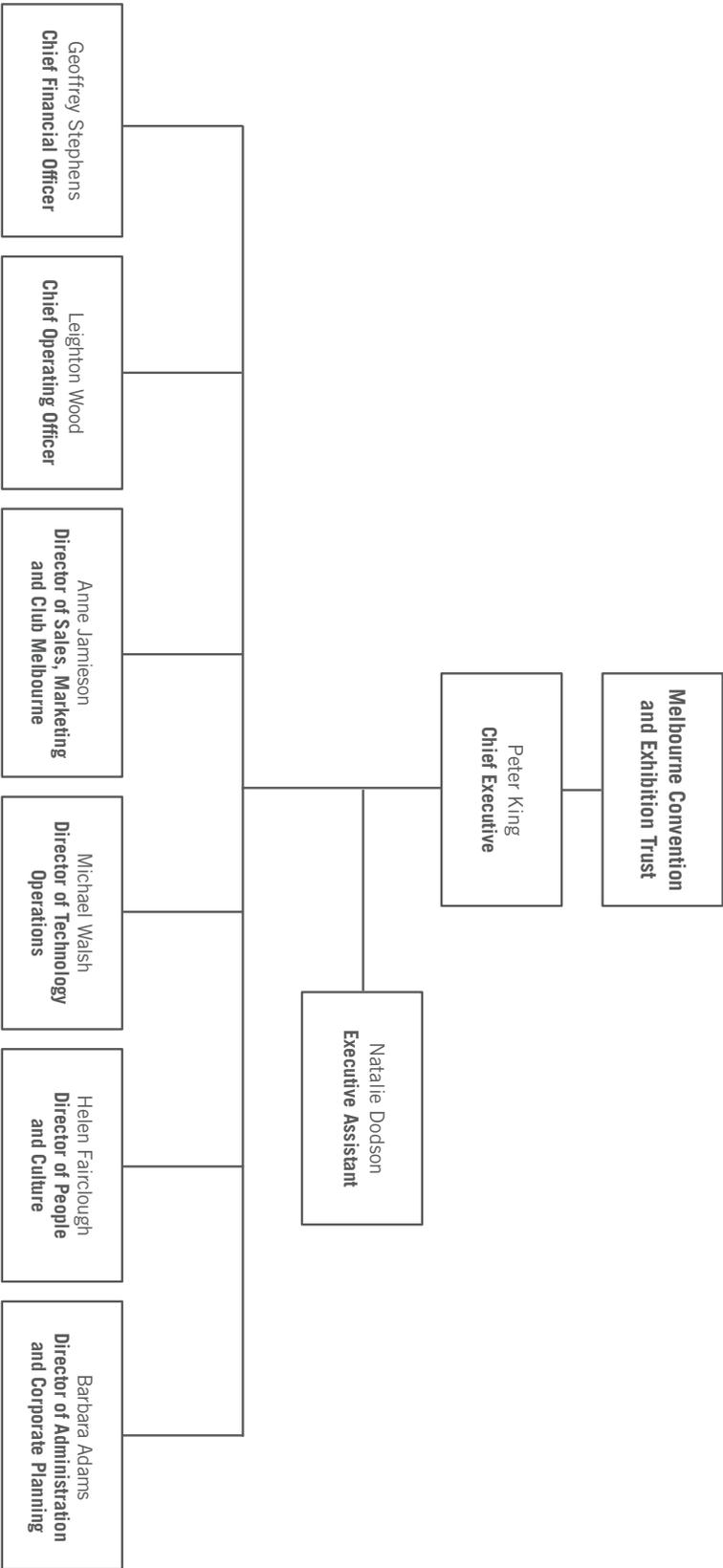
Michael is responsible for the direction and development of the information, communication and audio visual technology capabilities and functions of the Centre. He provides strategic advice and guidance to the Centre in relation to technology infrastructure to ensure that all current and future needs are met in an efficient and effective manner.

### DIRECTOR OF ADMINISTRATION AND CORPORATE PLANNING

#### Barbara Adams

Barbara assists the Trust, the Government and other relevant organisations formulate business practices, submissions, reports, policies and procedures and provide advice and information in relation to the statutory, legal and regulatory requirements governing the Trust's operations. Barbara is also responsible for the management and monitoring of the Trust's obligations relating to the Melbourne Convention Centre Development Project.

# Organisational Structure



# Additional Reporting Requirements

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## **BUILDING REGULATIONS**

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

## **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 2015, the Trust received no requests relating to FOI.

All requests for FOI access must be made in writing to the Melbourne Convention and Exhibition Centre Trust's Freedom of Information Officer, GPO Box 777, Melbourne Victoria 3001. The subject and date range of the information sought should be indicated as precisely as possible, and the request should be accompanied by the application fee, which may be waived in certain circumstances. Apart from the application fee, certain other charges such as search fees and photocopying charges might apply in relation to the provision of documents as stipulated in the *Freedom of Information (Access Charges) Regulations 2004*.

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

## **PROTECTED DISCLOSURE ACT 2012**

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

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

## **RELEVANT INFORMATION TO BE RETAINED AND AVAILABLE ON REQUEST**

Information that is applicable to the authority under Section 9.1.3 (iv) of the Directions of the Minister for Finance has been retained and is available on request.

## **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.

## **NATIONAL COMPETITION POLICY**

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

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

## **WORK HEALTH & SAFETY (WHS) POLICY**

The Trust is committed to maintaining a proactive, healthy and safe working environment for all employees and external contractors, clients and the community, while ensuring regard to the environment throughout its business practices. As a consequence of this, the Centre encourages all internal employees and external customers to regard accident prevention and working safely as a collective and individual responsibility and to respect theirs and other's safety through appropriate conduct whilst on-site or working for the Centre. All visitors are required to comply with the Centre's instructions in order to protect their health and safety whilst on-site.

The Centre recognises its responsibility under Victorian Work Health and Safety legislation, and in conjunction with certification to AS/NZS 4801:2001 Occupational Health and Safety Management Systems, ISO 9001:2008 Quality Management Systems Requirements, HACCP-9000 Food Safety systems and Good Manufacturing Principles requirements, and the trust aims to incorporate practicable compliance to all aspects of related business activities.

The objective of the WHS Policy for the 2014/15 year was the following:

- Contractor management system;
- Prevention of fire – upgrade of electric system in the Exhibition Centre bays;
- Reduce injuries to employees, contractors and the public – 10 per cent; and
- Reduction of, and enhancing the efficiency of WHS paperwork and improving TKP results.

The Centre's WHS Policy, objectives and procedures are reviewed on a regular basis and as required by changes to processes or governing requirements. Copies of the Policy are available on all WHS noticeboards and website [www.mcec.com.au](http://www.mcec.com.au)

### WORK HEALTH AND SAFETY PERFORMANCE

The Trust, over the last 12 months, has been successful in achieving a strong level of performance in relation to Work Health & Safety (WH&S). The Centre's performance is consistent with the objectives of the Trust's WH&S policy and reflects the ongoing efforts of management and staff to ensure that the Centre is a safe environment for all persons who attend the Centre. In the last 12 months, there were 112 injuries, the vast majority of which were minor – employees 54, visitors 45 and contractors 13. This represents a reduction of 18 per cent in injuries across all categories. A total of 95 staff days were lost during the year due to injuries. There are three WorkCover claims ongoing.

The following initiatives have been implemented throughout the 2014/15 year:

- Mandatory reporting of each and every safety incident, no matter the severity, to ensure management has a record of all incidents occurring on-site;
- Requesting the Centre's security provider notify MCEC's Safety Manager directly of any injury so as to allow immediate follow-up and investigation;
- Stringent monitoring of external contractor activity and behaviour;
- Establishment of a culture of safety within the Centre and a reputation within the business events industry as an organisation with the highest regard for WH&S; and
- A biannual "Safety Hero Award" for employees to recognise responsible and diligent behaviour and further encourage a safe workplace.

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

#### Target 1: Injury reduction of 10 per cent (employees, contractors and public)

- The total number of injuries for employees, contractors and public to the end of FY15 is 112 compared to 137 for the same period last year – an overall reduction of 18.2%.
- The total number of injuries for employees FY15 is 54 while for the same period in FY14 the total was 59, a reduction of 9.4%.
- The total number of injuries for the public FY15 is 45 while for the same period in FY14 the total was 62, a reduction of 27.5%.
- The total number of injuries for contractors FY15 is 13 while for the same period in FY14 the total was 16, a reduction of 18.2%.

#### Target 2: Lost Time Injury Frequency Rate (LTIFR) <10

- The Centre's LTIFR for FY15 was 2.87.

#### Target 3: Severity Rate <5

- The Centre's severity rate for FY15 was 41.50.

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## ATTESTATION OF COMPLIANCE OF RISK MANAGEMENT

The Trust confirms that it has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (or equivalent designated Standard). An internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Risk Management Committee verifies this assurance and that the risk profile of the Trust has been critically reviewed within the last 12 months.

## INSURANCE ATTESTATION STATEMENT

The Accountable Officer (Chief Executive) certifies that the Trust has complied with Ministerial Direction 4.5.5.

## DISABILITY ACT 2006

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

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

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

The Trust's Accessibility Action Plan has already introduced many initiatives and improvements across the four outcome areas. In particular, for the year ending 30 June 2015, the Trust has implemented the following initiatives in relation to accessibility at the Centre:

1. Website reviewed and accessible to W3C Web Content Accessibility Guidelines 2.0 (Annual)
2. Website reviewed for currency of summarised Accessibility Services information (Annual)
3. Handrails and tactile surface indicators and stair nosing installed at MEC Clarendon Street entrance and along external concourse
4. Provision of portable accessibility ramps
5. Way finding signage for vertical lift location installed into MCC Main Foyer
6. Reasonable Adjustment commitment included in Equal Opportunity and Grievance procedure
7. Development and implementation of on-line Customer Feedback Register
8. Accessibility access information included in exhibitor kits
9. MCEC is listed on the Companion card website (Annual)





# FINANCIAL INFORMATION SUMMARY

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# Financial Information Summary

## COMPREHENSIVE OPERATING STATEMENT

The net result from transactions for the year ended 30 June 2015 was a deficit of \$13.3 million (2014: \$18.6 million deficit). This represents the best operating result since the Melbourne Convention Centre opened in 2009.

### Revenue

The Centre recorded its highest ever revenue in 2014/15.

The comprehensive operating statement of the Trust for the year ended 30 June 2015 reports total income from transactions of \$84.4 million, which is an increase of \$1.6 million (2%) from the previous year.

This very strong result is predominantly due to sales of goods and services which increased by \$5.9 million (8.2%). The 2015 financial year was strong on the exhibition front, a result of the rotation of interstate exhibitions and large first time exhibitions held at the Centre. The Centre also hosted its largest medical conference and exhibition, the International AIDS Society Conference. This has resulted in a greater demand for venue hire, technology services and catering.

Interest earned on term deposits decreased by \$0.1 million due to a decline in interest rates.

Included in grant income is an amount of \$5.1 million (2014: \$5.0 million) which represents the grant from the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) for the replacement of assets over the life of the Convention and Exhibition Centre. The asset lifecycle replacement grant is captured in the balance sheet as a non-financial asset until such time as assets are replaced in accordance with the asset replacement schedule outlined in the Project Agreement. Grant income in the prior year also included an amount of \$4.4 million which represented grants received for international marketing support from Tourism Victoria and City of Melbourne, this funding ceased at 30 June 2014.

### Expenses

Purchases of supplies and services have decreased by \$2.4 million. As the grant agreement with Tourism Victoria and City of Melbourne ended at 30 June 2014, funding on-passed to Melbourne Convention Bureau was \$1.5 million compared to \$5.9 million in the prior year. Operating departments continue to improve efficiencies resulting in improved margins across most areas of the business.

The increase in employee benefits of \$1.7 million reflects increased casual employee hours required to service increased activity within the Centre, the higher superannuation guarantee rate of 9.50% and an increase in salary levels consistent with VPS guidelines.

The interest expense of \$10.4 million (2014: \$10.4 million) relates to the interest charged on the loan with DEDJTR, which partly funded the Convention Centre asset.

Depreciation expense of \$20.2 million (2014: \$23.2 million) has decreased from the prior year as a result of a large portion of audio visual equipment reaching the end of its useful life.

Total expenses from transactions, as defined in the financial statements, totalled \$97.6 million (2014: \$101.3 million).

## BALANCE SHEET

The balance sheet of the Trust as at 30 June 2015 reports net assets of \$570.3 million (2014: \$582.7 million). This reduction is mainly due to depreciation expense for the year and interest expense on the loan with DEDJTR.

### Assets

Cash and deposits have decreased by approximately \$4.4 million to \$10.2 million (2014: \$14.6 million). Investments have increased by \$4 million to \$35 million (2014: \$31 million). The movement in both accounts is largely related to the transfer of term deposits into investments.

Property, plant and equipment has decreased by \$12.2 million. The decrease reflects depreciation expense for the year, partly offset by asset additions from completed capital projects.

Other non-financial assets have increased by \$1.3 million which is mainly attributable to the capital replacement receivable taken to account during the year, reduced by lifecycle works completed under the Project agreement.

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**Liabilities**

The interest bearing liability of \$279.6 million (2014: \$279.6 million) represents the value of the loan with DEDJTR inclusive of accrued interest.

Other liabilities of \$12.8 million (2014: \$14.0 million) mainly comprises deposits held against future bookings which represents funds held on behalf of customers until the completion of an event.

**STATEMENT OF CHANGES IN EQUITY**

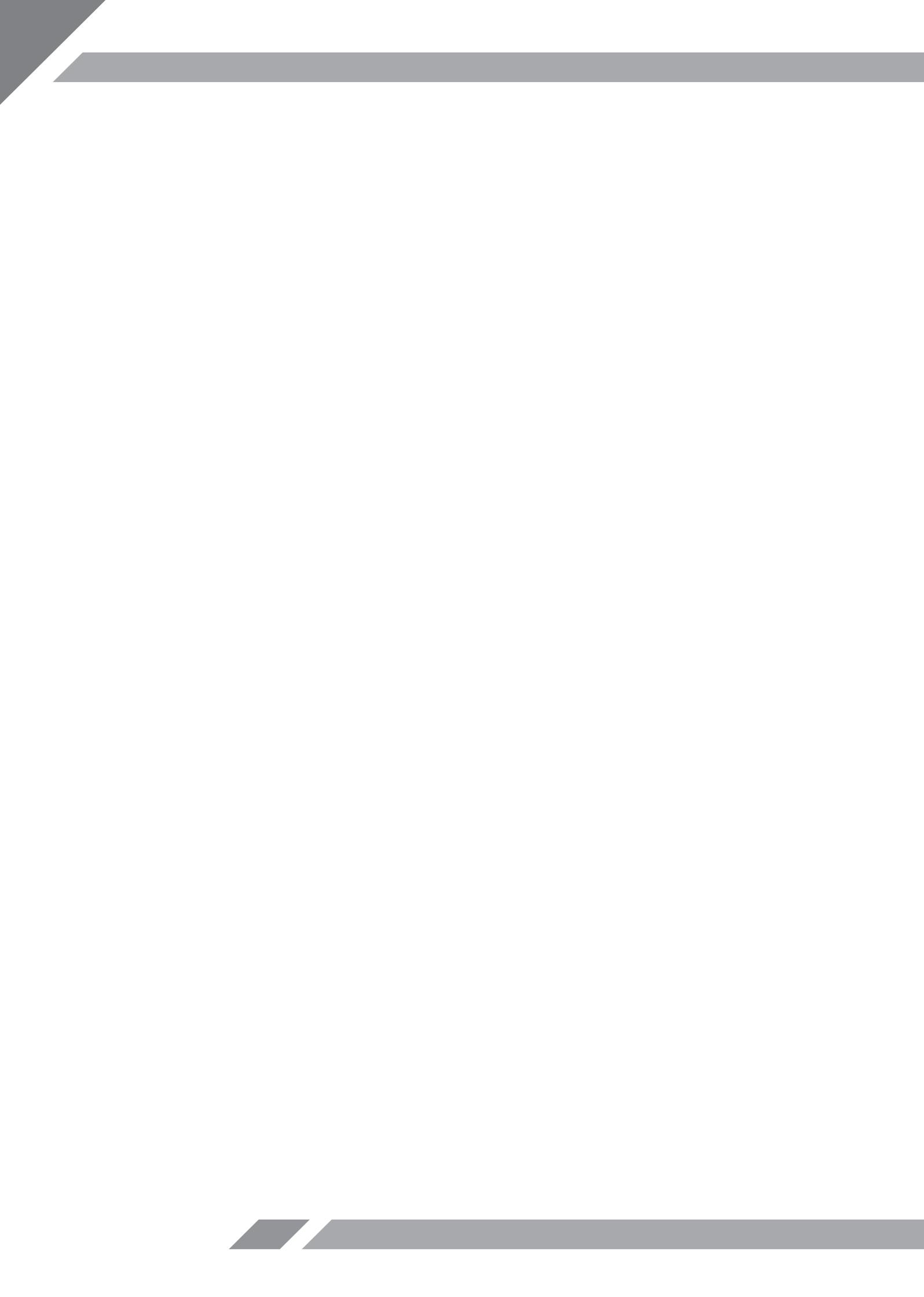
The statement of changes in equity records a net decrease in total equity of \$12.4 million to \$570.3 million. The movement in this statement reflects the current year's result along with an increment to the revaluation reserve due to a revaluation of cultural assets.

**CASH FLOW STATEMENT**

The cash flow statement reports a decrease of \$4.4 million in cash held (2014: \$10.8 million increase). Total cash holdings as at 30 June 2015 are \$10.2 million (2014: \$14.6 million). Cash flows from operating activities were \$15.1 million for the year (2014: \$14.0 million).

Cash flows used in investing activities reflect assets purchased and expenditure on capital improvements, most notably investment in digital infrastructure technology and an Exhibition Centre power upgrade. Purchases of non-financial assets totalled \$5.0 million (2014: \$5.9 million).

Cash flows from financing activities include the loan repayment to DEDJTR of \$10.5 million (2014: \$8.4 million). This equates to 75% of the net cash flows from operating activities for the previous financial year.





# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

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# Declaration

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## ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

The attached financial statements for the Melbourne Convention and Exhibition Trust have been prepared in accordance with Standing Direction 4.2 of 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 2015 and financial position of the Trust at 30 June 2015.

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

We authorise the attached financial statements for issue on 12 August 2015.

Robert H Annells PSM  
Chairperson



Melbourne  
12 August 2015

Peter King  
Chief Executive



Melbourne  
12 August 2015

Geoffrey Stephens  
Chief Financial Officer



Melbourne  
12 August 2015

# Comprehensive Operating Statement

for the financial year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>CONTINUING OPERATIONS</b>			
<b>Income from transactions</b>			
Sales of goods and services	2a	78,156	72,209
Interest	2b	1,117	1,211
Grants	2c	5,106	9,342
<b>Total income from transactions</b>		<b>84,379</b>	<b>82,762</b>
<b>Expenses from transactions</b>			
Supplies and services	3a	35,607	37,961
Employee expenses	3b	30,897	29,245
Interest expense	3c	10,420	10,404
Depreciation	3d	20,173	23,189
Other operating expenses	3e	534	531
<b>Total expenses from transactions</b>		<b>97,631</b>	<b>101,330</b>
<b>NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)</b>		<b>(13,252)</b>	<b>(18,568)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets		38	8
Net gain/(loss) on movement in long service leave provision		(36)	(15)
<b>Total other economic flows included in net result</b>		<b>2</b>	<b>(7)</b>
<b>NET RESULT</b>		<b>(13,250)</b>	<b>(18,575)</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	19	820	-
<b>Total other economic flows – other comprehensive income</b>		<b>820</b>	<b>-</b>
<b>COMPREHENSIVE RESULT</b>		<b>(12,430)</b>	<b>(18,575)</b>

The comprehensive operating statement should be read in conjunction with the accompanying notes.

# Balance Sheet

as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and deposits	4	10,155	14,571
Investments	5	35,000	31,000
Receivables	6	5,226	7,148
<b>Total financial assets</b>		<b>50,381</b>	<b>52,719</b>
<b>Non-financial assets</b>			
Inventories	7	2,133	2,232
Property, plant and equipment	8	797,184	809,337
Other non-financial assets	9	23,242	21,979
<b>Total non-financial assets</b>		<b>822,559</b>	<b>833,548</b>
<b>TOTAL ASSETS</b>		<b>872,940</b>	<b>886,267</b>
<b>LIABILITIES</b>			
Payables	10	6,856	7,713
Borrowings	11	279,549	279,646
Provisions	12	3,440	2,196
Other liabilities	13	12,792	13,979
<b>TOTAL LIABILITIES</b>		<b>302,637</b>	<b>303,534</b>
<b>NET ASSETS</b>		<b>570,303</b>	<b>582,733</b>
<b>EQUITY</b>			
Accumulated surplus/(deficit)		(112,670)	(99,420)
Physical asset revaluation surplus	19	259,752	258,932
Contributed capital		423,221	423,221
<b>NET WORTH</b>		<b>570,303</b>	<b>582,733</b>
Commitments for expenditure	15		
Contingent assets and contingent liabilities	16		

The balance sheet should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

for the financial year ended 30 June 2015

	Notes	Physical asset revaluation surplus \$'000	Accumulated surplus/ (deficit) \$'000	Contributed capital \$'000	Total \$'000
<b>Balance at 30 June 2013</b>		<b>258,932</b>	<b>(80,845)</b>	<b>423,221</b>	<b>601,308</b>
Net result for the year		-	(18,575)	-	(18,575)
Other comprehensive income for the year	19	-	-	-	-
<b>Balance at 30 June 2014</b>		<b>258,932</b>	<b>(99,420)</b>	<b>423,221</b>	<b>582,733</b>
Net result for the year		-	(13,250)	-	(13,250)
Other comprehensive income for the year	19	820	-	-	820
<b>Balance at 30 June 2015</b>		<b>259,752</b>	<b>(112,670)</b>	<b>423,221</b>	<b>570,303</b>

The statement of changes in equity should be read in conjunction with the accompanying notes.

# Cash Flow Statement

for the financial year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Receipts from customers		86,588	81,477
Receipts from Government		330	4,620
Interest received		1,225	1,253
<b>Total receipts</b>		<b>88,143</b>	<b>87,350</b>
<b>Payments</b>			
Payments to suppliers and employees		(68,549)	(69,055)
Goods and Services Tax paid to the Australian Taxation Office		(4,469)	(4,271)
<b>Total payments</b>		<b>(73,018)</b>	<b>(73,326)</b>
<b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>	18b	<b>15,125</b>	<b>14,024</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchases of non-financial assets		(5,031)	(5,858)
Proceeds from sale of non-financial assets		8	28
Transfers from / (to) investments		(4,000)	11,000
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>(9,023)</b>	<b>5,170</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loan		(10,518)	(8,354)
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		<b>(10,518)</b>	<b>(8,354)</b>
Net increase/(decrease) in cash and deposits		(4,416)	10,840
Cash and deposits at beginning of financial year		14,571	3,731
<b>CASH AND DEPOSITS AT END OF FINANCIAL YEAR</b>	18a	<b>10,155</b>	<b>14,571</b>

The cash flow statement should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

for the financial year ended 30 June 2015

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (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.

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 26.

By resolution of the Trustees, the annual financial statements were authorised for issue by the Chairperson of the Trust on 12 August 2015.

### b. Basis of accounting preparation and measurement

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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land and buildings (Note 8)
- the useful lives of service equipment (Note 7) and plant and equipment (Note 8)
- assumptions for employee benefit provisions based on historical data, likely tenure of existing employees, future salary movements and future discount rates (Note 12).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value; and the fair value of an asset other than land is generally based on its depreciated replacement value.

Consistent with AASB 13 *Fair Value Measurement*, the Melbourne Convention and Exhibition Trust (the Trust) determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

For the purpose of fair value disclosures, the Trust has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, the Trust determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

### c. Reporting entity

The financial statements cover the Trust as an individual reporting entity. 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

### d. Scope and presentation of financial statements

#### Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result. The net result is equivalent to profit or loss derived in accordance with AASs.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

#### Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (non-current being those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

#### Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'comprehensive result' and amounts recognised in 'other economic flows – other comprehensive income' related to 'transactions with owner in its capacity as owner'.

**Cash flow statement**

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

**Rounding**

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

**e. 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.

**Income from sale of goods and services**

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

**Interest income**

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

**Grants**

Grants for international marketing support and asset lifecycle replacement are non-reciprocal and are recognised as income when the grant is received or receivable.

**f. Expenses from transactions**

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

**Supplies and services**

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

**Employee expenses**

These expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, superannuation contributions and WorkCover premiums. Details of the superannuation funds the Trust made contributions to throughout the year are disclosed in Note 23.

**Interest expense**

Interest expense is recognised in the period in which it is incurred.

**Depreciation**

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

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

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

<b>Asset</b>	<b>Useful life</b>
Buildings	22 – 50 years
Plant and equipment	2 – 20 years

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

**Other operating expenses**

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

## g. Other economic flows included in the net result

### 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.

### Impairment of assets

All of the Trust's assets are assessed annually for indications of impairment, except for inventories.

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

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

## h. Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Trust's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer on behalf of the Trust are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

### Categories of non-derivative financial instruments – loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The loans and receivables category includes cash and deposits, term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

### Financial liabilities at amortised cost

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

## i. Financial assets

### Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand, cash at bank and short-term deposits.

### Investments

Investments include long-term deposits and are recognised as loans and receivables. Management determines the classification of its investments at initial recognition. Interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

**Receivables**

Receivables include debtors in relation to goods and services and are recognised initially at fair value.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected. Bad debts are written off when identified.

**j. Non-financial assets****Inventories**

Inventories include goods held for consumption in the ordinary course of business operations. Inventories held for consumption are measured at cost. Service equipment relates to high volume, low cost items used multiple times in service delivery and includes crockery, cutlery and glassware.

**Property, plant and equipment**

Buildings and plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation.

**Revaluations of non-financial physical assets**

Non-financial physical assets are measured at fair value, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Any interim revaluations are determined in accordance with the requirements of the FRDs.

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

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows – other comprehensive income' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as other economic flows in the net result, except that the net revaluation decrease is recognised in 'other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in 'other economic flows – other movements in equity' reduces the amount accumulated in equity under asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes.

**Revaluations of land and cultural assets**

Freehold land and artwork are measured at fair value being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. It is the policy of the Trust to have an independent valuation at least every five years, to ensure that the carrying amount of each asset class does not differ materially from its fair value.

**Prepayments**

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**Capital replacement receivable**

Capital replacement receivable recognises the asset lifecycle replacement grant in accordance with an agreed schedule over the life of the project.

## k. Liabilities

### Payables

Payables consist of accounts payable and accrued expenses for goods and services received prior to the end of the financial year that are unpaid. Payables arise when the Trust becomes obliged to make future payments in respect of the purchase of those goods and services. Liabilities for salary and wages and superannuation are recognised within payables.

### Borrowings

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

### Provisions

Provisions are recognised when the Trust has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

### Employee benefits

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date.

#### i. Annual leave

Liability for annual leave is recognised in the provision for employee benefits as 'current liabilities', because the Trust does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave are measured at:

- nominal 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.

#### ii. Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL (representing seven or more years of continuous service for employees and executives) is disclosed in the notes to the financial statements 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:

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

Conditional LSL (representing less than seven years of continuous service for staff and executives) 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 liability is measured at present value.

#### iii. Termination benefits

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

**Employee benefits on-costs**

Employee benefits on-costs such as payroll tax and workers compensation are recognised separately from the provision for employee benefits.

**Deposits held against future bookings**

Deposits held against future bookings represent funds held on behalf of customers until the completion of an event.

**i. Leases**

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

**m. Equity****Contributions by owners**

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

**n. Commitments**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 15) at their nominal value and inclusive of the goods and services tax (GST) payable.

**o. 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 (refer to Note 16) and, if quantifiable, are measured at nominal value.

**p. Accounting for the goods and services tax (GST)**

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

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

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

**q. Events after reporting date**

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Trust and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to a condition which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

**r. Foreign currency**

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.

## s. Australian Accounting Standards issued that are not yet effective

As at 30 June 2015, the following AASs have been issued by the AASB but are not yet effective and may have an impact on the Trust. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as follows:

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.  While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2017  (Exposure Draft 263 – potential deferral to 1 Jan 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.  A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2015-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 &amp; AASB 1049]</i>	The Amendments extend the scope of AASB 124 <i>Related Party Disclosures</i> to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

## 2. INCOME FROM TRANSACTIONS

	2015	2014
	\$'000	\$'000
<b>(a) Sales of goods and services</b>		
Rendering of services	49,366	45,319
Sales of goods	28,790	26,890
<b>Total sales of goods and services</b>	<b>78,156</b>	<b>72,209</b>
<b>(b) Interest</b>		
Interest on bank deposits	1,117	1,211
<b>Total interest</b>	<b>1,117</b>	<b>1,211</b>
<b>(c) Grants</b>		
Specific purpose for on passing	-	4,360
Asset lifecycle replacement	5,106	4,982
<b>Total grants</b>	<b>5,106</b>	<b>9,342</b>

## 3. EXPENSES FROM TRANSACTIONS

	2015	2014
	\$'000	\$'000
<b>(a) Supplies and services</b>		
Purchase of supplies and consumables	2,957	3,457
Purchase of services	22,210	25,471
Cost of goods sold	7,531	7,286
Maintenance	2,909	1,747
<b>Total supplies and services</b>	<b>35,607</b>	<b>37,961</b>
<b>(b) Employee expenses</b>		
Defined contribution superannuation expense	2,422	2,431
Salaries and wages, annual leave, long service leave and termination benefits	28,475	26,814
<b>Total employee expenses</b>	<b>30,897</b>	<b>29,245</b>
<b>(c) Interest expense</b>		
Interest on Government loan	10,420	10,404
<b>Total interest expense</b>	<b>10,420</b>	<b>10,404</b>
<b>(d) Depreciation</b>		
Buildings	17,491	17,396
Plant, equipment and vehicles	2,682	5,793
<b>Total depreciation</b>	<b>20,173</b>	<b>23,189</b>
<b>(e) Other operating expenses</b>		
Operating lease expenses	468	436
Bad debts from transactions	13	40
Service equipment write down	53	55
<b>Total other operating expenses</b>	<b>534</b>	<b>531</b>

#### 4. CASH AND DEPOSITS

	2015 \$'000	2014 \$'000
Cash on hand	10,155	5,571
Term deposits	-	9,000
<b>Total cash and deposits</b>	<b>10,155</b>	<b>14,571</b>

#### 5. INVESTMENTS

	2015 \$'000	2014 \$'000
Term deposits (i)	35,000	31,000
<b>Total investments</b>	<b>35,000</b>	<b>31,000</b>

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

#### 6. RECEIVABLES

	2015 \$'000	2014 \$'000
<b>Contractual</b>		
Amounts owing from Victorian Government (i)	119	89
Receivables (ii)	5,110	7,088
Provision for doubtful debts (iii)	(3)	(29)
<b>Total receivables</b>	<b>5,226</b>	<b>7,148</b>

(i) The amounts receivable from the Victorian Government represent money owing from events Victorian Government Departments/Agencies have booked at the MCEC in the ordinary course of business.

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

(iii) A provision has been made for amounts where collection is considered no longer probable, determined by reference to issues relating to individual accounts.

##### (a) Movement in the provision for doubtful debts

	2015 \$'000	2014 \$'000
Balance at beginning of the year	(29)	(50)
Decrease in provision due to transfers out	-	-
Amounts written off during the year as uncollectable	29	50
Increase in provision recognised in the net result	(3)	(29)
<b>Balance at end of the year</b>	<b>(3)</b>	<b>(29)</b>

##### (b) Ageing analysis of receivables

Please refer to Table 17.2 in Note 17 for the ageing analysis of receivables.

##### (c) Nature and extent of risk arising from receivables

Please refer to Note 17(a) for the nature and extent of credit risk arising from receivables.

## 7. INVENTORIES

	2015	2014
	\$'000	\$'000
Inventories at cost	371	418
Service equipment at cost	1,762	1,814
<b>Total inventories</b>	<b>2,133</b>	<b>2,232</b>

## 8. PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	\$'000	\$'000
Land at independent valuation 2013	245,625	245,625
	<b>245,625</b>	<b>245,625</b>
Buildings at independent valuation 2013	565,768	565,768
Buildings at cost	6,844	2,267
Less accumulated depreciation	(34,888)	(17,396)
Written down value	<b>537,724</b>	<b>550,639</b>
Cultural assets at independent valuation 2015	1,083	-
Cultural assets at independent valuation 2012	-	263
	<b>1,083</b>	<b>263</b>
Work in progress at cost	2,608	5,967
	<b>2,608</b>	<b>5,967</b>
Plant and equipment at fair value	38,667	34,471
Less accumulated depreciation	(28,523)	(27,628)
Written down value	<b>10,144</b>	<b>6,843</b>
<b>Net carrying amount of property, plant and equipment</b>	<b>797,184</b>	<b>809,337</b>

## RECONCILIATIONS

Table 8.1 Classification by 'Public Safety and Environment' Purpose Group – Movements in carrying amounts

	Freehold land	Buildings	Cultural assets	Plant & equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2015</b>						
Carrying amount at start of year	245,625	550,639	263	6,843	5,967	809,337
Additions	-	449	-	291	6,462	7,202
Transfers	-	4,127	-	5,694	(9,821)	-
Disposals	-	-	-	(2)	-	(2)
Revaluations	-	-	820	-	-	820
Depreciation expense	-	(17,491)	-	(2,682)	-	(20,173)
<b>Carrying amount at end of year</b>	<b>245,625</b>	<b>537,724</b>	<b>1,083</b>	<b>10,144</b>	<b>2,608</b>	<b>797,184</b>
<b>Year ended 30 June 2014</b>						
Carrying amount at start of year	245,625	565,768	280	11,535	3,213	826,421
Additions	-	260	-	114	5,751	6,125
Transfers	-	2,007	-	990	(2,997)	-
Disposals	-	-	(17)	(3)	-	(20)
Revaluations	-	-	-	-	-	-
Depreciation expense	-	(17,396)	-	(5,793)	-	(23,189)
<b>Carrying amount at end of year</b>	<b>245,625</b>	<b>550,639</b>	<b>263</b>	<b>6,843</b>	<b>5,967</b>	<b>809,337</b>

Fair value assessments have been performed for all classes of assets in this purpose group. These assessments indicate that fair value changes were not material (less than or equal to 10 per cent) and as such the carrying values of all asset classes represent fair value at the reporting date.

Table 8.2 Fair value measurement hierarchy for assets

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2015</b>				
Land at fair value				
Non-specialised land	245,625	-	245,625	-
<b>Total of land at fair value</b>	<b>245,625</b>	<b>-</b>	<b>245,625</b>	<b>-</b>
Buildings at fair value				
Non-specialised buildings	537,724	-	-	537,724
<b>Total of buildings at fair value</b>	<b>537,724</b>	<b>-</b>	<b>-</b>	<b>537,724</b>
Plant and equipment at fair value				
Plant and equipment	10,144	-	-	10,144
<b>Total of plant, equipment and vehicles at fair value</b>	<b>10,144</b>	<b>-</b>	<b>-</b>	<b>10,144</b>
Cultural assets at fair value				
Artworks	1,083	-	1,083	-
<b>Total of cultural assets at fair value</b>	<b>1,083</b>	<b>-</b>	<b>1,083</b>	<b>-</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 2014</b>				
Land at fair value				
Non-specialised land	245,625	-	245,625	-
<b>Total of land at fair value</b>	<b>245,625</b>	<b>-</b>	<b>245,625</b>	<b>-</b>
Buildings at fair value				
Non-specialised buildings	550,639	-	-	550,639
<b>Total of buildings at fair value</b>	<b>550,639</b>	<b>-</b>	<b>-</b>	<b>550,639</b>
Plant and equipment at fair value				
Plant and equipment	6,843	-	-	6,843
<b>Total of plant, equipment and vehicles at fair value</b>	<b>6,843</b>	<b>-</b>	<b>-</b>	<b>6,843</b>
Cultural assets at fair value				
Artworks	263	-	263	-
<b>Total of cultural assets at fair value</b>	<b>263</b>	<b>-</b>	<b>263</b>	<b>-</b>

There have been no transfers between levels during the period.

### Land and Buildings

Independent valuations of the Melbourne Convention and Exhibition Centre's land and buildings were performed by independent valuers for the 2013 financial year. The valuations, which conform to Australian Valuation Standards, were calculated based on the fair value of the land and depreciated replacement cost of the buildings.

### Cultural Assets

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

### Plant and Equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2015.

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

**Table 8.3 Reconciliation of Level 3 fair value**

	Plant and equipment \$'000	Buildings \$'000
<b>Year ended 30 June 2015</b>		
<b>Opening balance</b>	<b>6,843</b>	<b>550,639</b>
Purchases (sales)	5,983	4,576
Transfers in (out) of Level 3	-	-
Depreciation	(2,682)	(17,491)
Impairment loss	-	-
<b>Subtotal</b>	<b>10,144</b>	<b>537,724</b>
Revaluation	-	-
<b>Closing balance</b>	<b>10,144</b>	<b>537,724</b>
Unrealised gains/(losses) on non-financial assets	-	-

	Plant and equipment \$'000	Buildings \$'000
<b>Year ended 30 June 2014</b>		
<b>Opening balance</b>	<b>11,535</b>	<b>565,768</b>
Purchases (sales)	1,101	2,267
Transfers in (out) of Level 3	-	-
Depreciation	(5,793)	(17,396)
Impairment loss	-	-
<b>Subtotal</b>	<b>6,843</b>	<b>550,639</b>
Revaluation	-	-
<b>Closing balance</b>	<b>6,843</b>	<b>550,639</b>
Unrealised gains/(losses) on non-financial assets	-	-

**Table 8.4 Description of significant unobservable inputs to Level 3 valuations**

	Valuation Technique	Significant unobservable inputs	Range	Sensitivity of fair value measurement to changes in significant unobservable inputs
<b>Plant &amp; equipment</b>	Depreciated replacement cost	Useful life of plant and equipment	2 – 20 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
		Cost per unit	\$40 - \$650,000 per unit	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
<b>Buildings</b>	Depreciated replacement cost	Useful life of buildings	22 – 50 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
		Direct cost per square metre	\$371 - \$6,417 / m <sup>2</sup>	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.

## 9. OTHER NON-FINANCIAL ASSETS

	2015 \$'000	2014 \$'000
<b>Current</b>		
Prepayments	1,632	1,343
	<b>1,632</b>	<b>1,343</b>
<b>Non-current</b>		
Capital replacement receivable	21,610	20,636
	<b>21,610</b>	<b>20,636</b>
<b>Total other non-financial assets</b>	<b>23,242</b>	<b>21,979</b>

## 10. PAYABLES

	2015 \$'000	2014 \$'000
<b>Current</b>		
<b>Contractual</b>		
Trade creditors (i)	1,551	748
Other payables	807	833
Accrued expenses	3,825	4,756
	<b>6,183</b>	<b>6,337</b>
<b>Statutory</b>		
FBT payable	67	67
GST payable	548	322
Payroll tax payable	58	156
State Revenue Office	-	831
	<b>673</b>	<b>1,376</b>
<b>Total payables</b>	<b>6,856</b>	<b>7,713</b>

- (i) The average credit period is 30 days. Payables are generally paid within the payment period thereby avoiding any interest charges that may be charged on late payments.

### (a) Maturity analysis of payables

Please refer to Table 17.3 in Note 17 for the maturity analysis of payables.

### (b) Nature and extent of risk arising from payables

Please refer to Note 17 for the nature and extent of risks arising from payables.

## 11. BORROWINGS

	2015 \$'000	2014 \$'000
<b>Current</b>		
Loan from Government (i)	11,344	10,518
	<b>11,344</b>	<b>10,518</b>
<b>Non-current</b>		
Loan from Government (i)	268,205	269,128
	<b>268,205</b>	<b>269,128</b>
<b>Total borrowings</b>	<b>279,549</b>	<b>279,646</b>

- (i) The Convention Centre was financed in the form of a loan with the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) with a value of \$227.7 million together with a capital contribution of \$227.7 million. A Loan Agreement was executed between the Trust and DEDJTR for a 25 year term, at a fixed interest rate of 6.26% per annum, with a commencement date of 1 April 2009, maturing 31 March 2034.

Subsequent to the execution of the Loan Agreement, the Secretary of DEDJTR provided a letter of comfort to the Trust deferring repayments in regards to the financial years ended 30 June 2009 and 30 June 2010. The letter also provided that if the Trust requests a deferral for any later financial year then the request will be granted to the extent that the total of installments under the MCET Loan Agreement for the relevant financial year are greater than an amount equal to 75% of MCET's net cash flows from operating activities as disclosed in the Trust's Cash Flow Statement in respect of that financial year. As the amount of the Trust's net cash flow cannot be finally determined until the financial statements are finalised, the repayment cannot be made until the subsequent financial year.

On 27 June 2014, DEDJTR advised MCET that effective from 1 July 2013, the fixed interest rate on the loan had been amended from 6.26% per annum to 3.78% per annum. A loan variation agreement was signed on 24 July 2014. The loan variation also provides repayment relief outlining that the Secretary shall agree to a repayment deferral upon request and the amount of the repayments shall be capped to 75% of the Trust's net cash flows from operating activities for the relevant financial year.

For all subsequent financial years after the year ended 30 June 2010, the Trust requested the deferral of loan repayments after the finalisation of the financial statements in line with the letter of comfort and loan variation. The Secretary of DEDJTR agreed to the requests. Therefore, the current liability at 30 June 2015 of \$11.344 million represents 75% of the net cash flows from operating activities, in respect to the financial year ended 30 June 2015.

## 12. PROVISIONS

	2015 \$'000	2014 \$'000
<b>Current</b>		
<b>Employee benefits (i)</b>		
<b>Annual leave</b>		
Unconditional and expected to be settled within 12 months	768	634
Unconditional and expected to be settled after 12 months	32	31
<b>Long service leave</b>		
Unconditional and expected to be settled within 12 months	186	79
Unconditional and expected to be settled after 12 months	859	707
<b>Restructure</b>		
Unconditional and expected to be settled within 12 months	520	-
	<b>2,365</b>	<b>1,451</b>
<b>Provisions for on-costs</b>		
Unconditional and expected to settle within 12 months	47	35
Unconditional and expected to settle after 12 months	43	37
	<b>90</b>	<b>72</b>
<b>Total current provisions</b>	<b>2,455</b>	<b>1,523</b>
<b>Non-current</b>		
Employee benefits – long service leave	919	641
On-costs – long service leave	66	32
<b>Total non-current provisions</b>	<b>985</b>	<b>673</b>
<b>Total provisions</b>	<b>3,440</b>	<b>2,196</b>

(i) Employee benefits consist of annual leave and long service leave accrued by employees. Payroll tax and workers compensation on-costs are not employee benefits and are reflected as a separate provision.

### 13. OTHER LIABILITIES

	2015 \$'000	2014 \$'000
<b>Current</b>		
Income received in advance	21	21
Other liabilities	-	-
Deposits held against future bookings	12,771	13,958
<b>Total other liabilities</b>	<b>12,792</b>	<b>13,979</b>

### 14. LEASES

#### Disclosure of operating leases

##### Leasing arrangements

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

##### Non-cancellable operating leases

	2015 \$'000	2014 \$'000
Payable no longer than one year	340	251
Longer than one year but not longer than five years	674	279
	<b>1,014</b>	<b>530</b>

### 15. COMMITMENTS FOR EXPENDITURE

The following commitments have not been recognised as liabilities in the financial statements. All amounts are nominal amounts inclusive of GST.

#### (a) Capital expenditure commitments

There are no ongoing contracted capital works committed to as at 30 June 2015.

#### (b) Lease commitments

Non-cancellable operating lease commitments are disclosed in Note 14 to the financial statements.

### 16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Trust has no contingent assets or contingent liabilities to disclose at the date of this report.

### 17. FINANCIAL INSTRUMENTS

The Trust's principal financial instruments comprise cash and deposits, receivables, payables and borrowings.

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 are disclosed in Note 1 to the financial statements.

**Table 17.1: Categorisation of financial instruments**

	Financial assets – loans and receivables	Financial liabilities – at amortised cost
	\$'000	\$'000
<b>2015</b>		
<b>Financial assets</b>		
Cash and deposits	10,155	-
Investments	35,000	-
Receivables	5,226	-
	<b>50,381</b>	<b>-</b>
<b>Financial liabilities</b>		
Payables (i)	-	6,183
Borrowings	-	279,549
	<b>-</b>	<b>285,732</b>
<b>2014</b>		
<b>Financial assets</b>		
Cash and deposits	14,571	-
Investments	31,000	-
Receivables	7,148	-
	<b>52,719</b>	<b>-</b>
<b>Financial liabilities</b>		
Payables (i)	-	6,337
Borrowings	-	279,646
	<b>-</b>	<b>285,983</b>

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

### (a) Credit risk

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

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

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

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in customer credit ratings.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Trust's maximum exposure to credit risk without taking account of the value of any collateral obtained.

### Financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently the Trust does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table below discloses the ageing only of financial assets that are past due but not impaired.

**Table 17.2: Ageing analysis of financial assets**

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 – 3 months	3 months – 1 year	1 – 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 June 2015</b>						
Receivables	5,226	3,009	1,547	467	202	1
	<b>5,226</b>	<b>3,009</b>	<b>1,547</b>	<b>467</b>	<b>202</b>	<b>1</b>
<b>30 June 2014</b>						
Receivables	7,148	5,379	976	715	53	25
	<b>7,148</b>	<b>5,379</b>	<b>976</b>	<b>715</b>	<b>53</b>	<b>25</b>

**(b) Liquidity risk**

Liquidity risk is the risk that the Trust would be unable to meet its financial obligations as and when they fall due. The Trust operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. The Trust manages its liquidity risk by closely monitoring future cash flows to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events could be sourced from early liquidation of cash held on deposit if required.

The carrying amount detailed in the following table represents the Trust's maximum exposure to liquidity risk.

**Table 17.3: Maturity analysis of financial liabilities**

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1 – 3 months	3 months – 1 year	1 – 5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 June 2015</b>							
Payables (ii)	6,183	6,183	5,910	260	13	-	-
Borrowings (iii)	279,549	389,068	-	11,344	-	96,983	280,741
	<b>285,732</b>	<b>395,251</b>	<b>5,910</b>	<b>11,604</b>	<b>13</b>	<b>96,983</b>	<b>280,741</b>
<b>30 June 2014</b>							
Payables (ii)	6,337	6,337	5,245	78	1,014	-	-
Borrowings (iii)	279,646	395,871	-	10,518	-	93,868	291,485
	<b>285,983</b>	<b>402,208</b>	<b>5,245</b>	<b>10,596</b>	<b>1,014</b>	<b>93,868</b>	<b>291,485</b>

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

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

(iii) As detailed in Note 11, a Loan Agreement was executed between the Trust and DEDJTR for a 25 year term, at a fixed interest rate of 6.26%, with a commencement date of 1 April 2009, maturing 31 March 2034. The borrowings outstanding include capitalised interest as the Government agreed to defer the loan repayments as described in Note 11. On 27 June 2014, DEDJTR advised MCET that effective from 1 July 2013, the fixed interest rate on the loan had been amended from 6.26% per annum to 3.78% per annum. The nominal amount represents the principal and interest payable over the future life of the loan in accordance with the current loan schedule.

**(c) Market risk**

The Trust's exposures to market risk are primarily through foreign currency risk and interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

**Foreign currency risk**

The Trust is exposed to foreign currency risk through its purchases of supplies and consumables from overseas. This risk is considered insignificant due to the limited amount of transactions denominated in foreign currencies and a relatively short timeframe between commitment and settlement.

The Trust exposures are mainly against the US dollar, Euro and British Pound and are managed through continuous monitoring of movements in exchange rates, and by ensuring availability of funds through cash flow planning and monitoring. Based on past and current assessment of economic outlook, it is deemed unnecessary for the Trust to enter into any hedging arrangements to manage the risk.

The Trust's sensitivity to foreign currency movements is set out in Table 17.5.

**Interest rate risk**

The Trust is not exposed to interest rate risk in relation to the loan with DEDJTR as there is a fixed interest rate for the term of the loan. Cash on term deposit is held with Treasury Corporation of Victoria.

The Trust's sensitivity to interest rate risk is set out in Table 17.5.

**Table 17.4: 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>30 June 2015</b>					
<b>Financial assets</b>					
Cash and deposits	2.00	10,155	-	10,155	-
Investments	2.28	35,000	-	35,000	-
Receivables (i)	-	5,226	-	-	5,226
		<b>50,381</b>	<b>-</b>	<b>45,155</b>	<b>5,226</b>
<b>Financial liabilities</b>					
Payables (i)	-	6,183	-	-	6,183
Borrowings	3.78	279,549	279,549	-	-
		<b>285,732</b>	<b>279,549</b>	<b>-</b>	<b>6,183</b>
<b>30 June 2014</b>					
<b>Financial assets</b>					
Cash and deposits	2.59	14,571	-	14,571	-
Investments	2.72	31,000	-	31,000	-
Receivables	-	7,148	-	-	6,848
		<b>52,719</b>	<b>-</b>	<b>45,571</b>	<b>6,848</b>
<b>Financial liabilities</b>					
Payables (i)	-	6,337	-	-	6,337
Borrowings	3.78	279,646	279,646	-	-
		<b>285,983</b>	<b>279,646</b>	<b>-</b>	<b>6,337</b>

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

**Table 17.5: Interest rate and foreign exchange risk sensitivity**

	Carrying amount \$'000	Foreign exchange -10% / + 10%		Interest rate			
		Profit \$'000	Equity \$'000	-0.5% (50 basis points)		+0.5% (50 basis points)	
				Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>30 June 2015</b>							
<b>Financial assets</b>							
Cash and deposits (i)	10,155	-	-	(51)	(51)	51	51
Investments (ii)	35,000	-	-	(175)	(175)	175	175
<b>30 June 2014</b>							
<b>Financial assets</b>							
Cash and deposits (i)	14,571	-	-	(73)	(73)	73	73
Investments (ii)	31,000	-	-	(155)	(155)	155	155

(i) Cash and deposits include deposits of \$10.2 million (2014: \$14.6 million) that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

2015: \$10.2 million x (0.005) = (\$0.05) million; and \$10.2 million x 0.005 = \$0.05 million; and  
2014: \$14.6 million x (0.005) = (\$0.07) million; and \$14.6 million x 0.005 = \$0.07 million.

(ii) Investments include term deposits of \$35.0 million (2014: \$31.0 million) that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

2015: \$35.0 million x (0.005) = (\$0.2) million; and \$35.0 million x 0.005 = \$0.2 million; and  
2014: \$31.0 million x (0.005) = (\$0.2) million; and \$31.0 million x 0.005 = \$0.2 million.

#### (d) Fair value

The Trust considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full. The fair value of the interest bearing financial liability is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

## 18. CASH FLOW INFORMATION

### (a) Reconciliation of cash and cash equivalents

	2015	2014
	\$'000	\$'000
Total cash and deposits disclosed in the balance sheet	10,155	14,571
<b>Balance as per cash flow statement</b>	<b>10,155</b>	<b>14,571</b>

### (b) Reconciliation of net result for the period to net cash flows from operating activities

Net result for the period	(13,250)	(18,575)
<b>Add/(less) non-cash movements</b>		
Depreciation of non-current assets	20,173	23,189
Write-back of service equipment	53	55
(Gain)/loss on sale or disposal of non-financial assets	(38)	(8)
Capital replacement receivable and lifecycle expenses	(3,856)	(4,112)
Interest on Government loan	10,420	10,404
<b>Net change in assets and liabilities</b>		
(Increase)/decrease in current receivables	1,949	(1,045)
(Increase)/decrease in current inventories	46	(131)
(Increase)/decrease in other current assets	(288)	(648)
(Decrease)/increase in current payables	(141)	1,571
(Decrease)/increase in current provisions	933	187
(Decrease)/increase in other current liabilities	(1,187)	3,054
(Decrease)/increase in non-current provisions	311	83
<b>Net cash flows from/(used in) operating activities</b>	<b>15,125</b>	<b>14,024</b>

## 19. PHYSICAL ASSET REVALUATION SURPLUS

	2015	2014
	\$'000	\$'000
Balance at beginning of the year	258,932	258,932
Revaluation increments/(decrements)	820	-
<b>Balance at end of the year</b>	<b>259,752</b>	<b>258,932</b>

## 20. RESPONSIBLE PERSONS

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

### NAMES

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

#### Minister

The Hon. John Eren MP, Minister for Tourism and Major Events	4 December 2014 – 30 June 2015
The Hon. Louise Asher MP, Minister for Tourism and Major Events	1 July 2014 – 3 December 2014

## Governing Board

Mr Robert Annells PSM (Chairperson)  
 Ms Yvonne von Hartel AM  
 Ms Linda Dewar  
 Ms Marie Jackson  
 Ms Sam Andersen  
 Mr Jonathan Metcalfe  
 Mr Matthew Mills

## Chief Executive - Accountable Officer

Mr Peter King

## REMUNERATION

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

Income band	Total Remuneration	
	2015 No.	2014 No.
\$30,000 – \$39,999	6	6
\$50,000 – \$59,999	1	1
\$440,000 – \$449,999	1	-
\$450,000 – \$459,999	-	1
<b>Total number</b>	<b>8</b>	<b>8</b>
<b>Total amount (\$)</b>	<b>699,389</b>	<b>698,683</b>

The remuneration of the Minister is reported in the financial statements of the Department of Premier and Cabinet.

## Related party transactions – Chief Executive

- Melbourne Convention Bureau (MCB)**  
 Peter King is a Board Member of MCB. MCB plays a key role in securing international conventions for Melbourne. The Trust contributed \$1,624,333 to MCB (2014: \$1,655,307). MCB also transacted with the Trust \$29,333 (2014: \$42,063) for events held at the Centre.
- Business Events Council of Australia (BECA)**  
 Peter King is the Deputy Chairperson of BECA. During the 2015 financial year the Trust paid \$2,500 (2014: \$7,500) for membership with BECA.
- Exhibition & Event Association of Australasia (EEAA)**  
 Peter King is a Board Member of EEAA. Throughout the 2015 financial year the Trust paid \$12,727 (2014: \$18,319) for memberships and sponsorships. EEAA also transacted with Melbourne Convention and Exhibition Centre \$49,282 (2014: \$455) for events held within the Centre.
- Tourism Australia Business Events Advisory Council**  
 Peter King is a member of the Tourism Australia Business Events Advisory Council. Tourism Australia held their annual Australian Tourism Exchange (ATE) event at the Centre in June 2015 along with some smaller meetings and events throughout the year. During this financial year Tourism Australia expended \$1,152,756 (2014: \$26,305) with the Trust.
- Melbourne Cricket Club (MCC)**  
 Peter King is a Board Member of MCC. During the 2015 financial year the Trust paid \$31,800 (2014: \$0) in corporate expenditure.

## Related Party Transactions – Governing Board

- VicTrack**  
 Robert Annells (resigned from VicTrack board March 2015) and Sam Andersen are members of the VicTrack Board of Directors. VicTrack occasionally hold small meetings and events at the Melbourne Convention and Exhibition Centre. During this financial year VicTrack have expended \$4,524 (2014: \$12,164).

All related party transactions were negotiated on commercial terms.

## 21. REMUNERATION OF EXECUTIVES AND PAYMENTS TO OTHER PERSONNEL

### (a) Remuneration of executives

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

Remuneration received or receivable by Executives, in connection with the management of the Trust is shown below in the relevant bands:

Income band	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$140,000 - \$149,999	-	-	1	-
\$150,000 - \$159,999	2	-	1	1
\$170,000 - \$179,999	-	1	-	2
\$180,000 - \$189,999	-	-	1	1
\$190,000 - \$199,999	-	1	-	-
\$200,000 - \$209,999	1	2	1	1
\$210,000 - \$219,999	1	-	1	-
\$220,000 - \$229,999	-	1	-	1
\$230,000 - \$239,999	1	-	1	-
\$250,000 - \$259,999	-	1	-	-
\$260,000 - \$269,999	1	-	-	-
\$290,000 - \$299,999	-	-	-	1
\$300,000 - \$309,999	-	-	1	-
\$330,000 - \$339,999	1	1	-	-
<b>Total number of executives</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Total annualised employee equivalent (AEE)</b>	<b>6.71</b>	<b>6.77</b>	<b>6.71</b>	<b>6.77</b>
<b>Total amount (\$)</b>	<b>1,565,389</b>	<b>1,594,191</b>	<b>1,445,820</b>	<b>1,412,887</b>

### (b) Payments to other personnel

No payments have been made to contractors who have significant management responsibilities.

## 22. REMUNERATION OF AUDITORS

### Victorian Auditor-General's Office

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

	2015 \$'000	2014 \$'000
Payable as at 30 June	45	44
	<b>45</b>	<b>44</b>

## 23. EMPLOYEE SUPERANNUATION

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

As at 30 June 2015 superannuation contributions payable were \$0.07 million (2014: \$0.26 million).

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

	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
<b>Host Plus Superannuation Fund</b>		
Total contributions during the year	1,148	1,257
Employer contributions as % of salaries	9.50%	9.25%
<b>Australian Super</b>		
Total contributions during the year	569	635
Employer contributions as % of salaries	9.50%	9.25%
<b>ASGARD Corporate Superannuation Fund</b>		
Total contributions during the year	81	107
Employer contributions as % of salaries	9.50%	9.25%
<b>Others</b>		
Total contributions during the year	401	444
Employer contributions as % of salaries	9.50%	9.25%
<b>Total</b>	<b>2,199</b>	<b>2,443</b>

## 24. EX GRATIA EXPENSES

	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
Forgiveness or waiver of debt (i)	29	86
<b>Total ex gratia expenses</b>	<b>29</b>	<b>86</b>

(i) Bad debts greater than or equal to \$5,000 that have been written off.

## 25. CORRECTION OF ERROR

In the 2013/14 financial year all term deposits were classified as cash and deposits. AASB 107 *Statement of Cash Flows* states that for an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. In line with AASB 107 *Statement of Cash Flows* all short term deposits with a maturity date greater than 90 days have been classified to investments and all affected financial statement lines for the prior year have been restated and illustrated below in the third balance sheet.

### BALANCE SHEET AS AT 30 JUNE 2015

	Notes	2015 \$'000	2014 \$'000	As at 1 July 2013 restated \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and deposits	4	10,155	14,571	3,731
Investments	5	35,000	31,000	42,000
Receivables	6	5,226	7,148	6,103
<b>Total financial assets</b>		<b>50,381</b>	<b>52,719</b>	<b>51,834</b>
<b>Non-financial assets</b>				
Inventories	7	2,133	2,232	2,156
Property, plant and equipment	8	797,184	809,337	826,421
Other non-financial assets	9	23,242	21,979	17,732
<b>Total non-financial assets</b>		<b>822,559</b>	<b>833,548</b>	<b>846,309</b>
<b>TOTAL ASSETS</b>		<b>872,940</b>	<b>886,267</b>	<b>898,143</b>
<b>LIABILITIES</b>				
Payables	10	6,856	7,713	6,386
Borrowings	11	279,549	279,646	277,597
Provisions	12	3,440	2,196	1,926
Other liabilities	13	12,792	13,979	10,925
<b>TOTAL LIABILITIES</b>		<b>302,637</b>	<b>303,534</b>	<b>296,834</b>
<b>NET ASSETS</b>		<b>570,303</b>	<b>582,733</b>	<b>601,309</b>
<b>EQUITY</b>				
Accumulated surplus/(deficit)		(112,670)	(99,420)	(80,844)
Physical asset revaluation surplus	19	259,752	258,932	258,932
Contributed capital		423,221	423,221	423,221
<b>NET WORTH</b>		<b>570,303</b>	<b>582,733</b>	<b>601,309</b>

## 26. GLOSSARY OF TERMS

### Cash and deposits

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

### 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.

### Employee expenses

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

### Financial asset

A financial asset is any asset that is:

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

### Financial liability

A financial liability is any liability that is:

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

### Financial statements

A complete set of financial statements comprises:

- a. a balance sheet as at the end of the period;
- b. a comprehensive operating statement for the period;
- c. a statement of changes in equity for the period;
- d. a cash flow statement for the period;
- e. notes, comprising a summary of significant accounting policies and other explanatory information;

- f. comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- g. a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

### **Grants**

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

### **Interest expense**

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

### **Interest income**

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

### **Investments**

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

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

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

### **Net result**

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

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

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

### **Non-financial assets**

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

### **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.

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**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.

# Auditor-General's Report

**VAGO**

Victorian Auditor-General's Office

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Melbourne VIC 3000  
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## INDEPENDENT AUDITOR'S REPORT

### To the Trustees, Melbourne Convention and Exhibition Trust

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of the Melbourne Convention and Exhibition Trust which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

#### *The Trustees' Responsibility for the Financial Report*

The Trustees of the Melbourne Convention and Exhibition Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Trustees determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

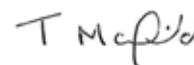
*Auditing in the Public Interest*

**Independent Auditor's Report (continued)***Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

*Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Melbourne Convention and Exhibition Trust as at 30 June 2015 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.



MELBOURNE  
26 August 2015

for John Doyle  
Auditor-General

# Additional Financial Information

## SUMMARY OF FINANCIAL RESULTS

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

	2015	2014	2013	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
Income from transactions	84,379	82,762	79,773	73,926	74,405
Expenses from transactions	97,631	101,330	107,944	100,720	97,785
Net result from transactions	(13,252)	(18,568)	(28,171)	(26,794)	(23,380)
Net result for the period	(13,250)	(18,575)	(28,118)	(26,335)	(23,396)
Net cash flow from operating activities	15,125	14,024	11,139	10,256	12,976
Total assets	872,940	886,267	898,143	891,149	910,899
Total liabilities	302,637	303,534	296,834	286,968	280,350

## CONSULTANCY EXPENDITURE

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

In 2014/15, there were 14 consultancies where the total fees payable to the consultants were \$10 000 or greater. The total expenditure incurred during 2014/15 in relation to these consultancies is \$493,976 (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of Consultancy	Expenditure (\$'000)
Australian Industry Group	Enterprise bargaining agreement advice	16
Badjar Ogilvy Pty Ltd Trading As Ogilvy One	Customer journey mapping	99
Board Business	Strategic workshop	15
Ernst & Young	Strategic workshop	15
Ernst & Young	Review of revenue and expenditure assumptions	53
Ernst & Young	The future state IT roadmap	27
Ernst & Young	Economic impact study	50
Future Food Retail Planners Pty Limited	Retail outlets design and planning	62
Hay Group Pty Limited	Market remuneration data	31
Jaquie Scammell Management Consulting Pty Ltd	Food and beverage strategy	46
NWHB (NH Architecture)	Melbourne room foyer architectural advice	33
NWHB (NH Architecture)	Retail outlets architectural advice	11
NWHB (NH Architecture)	Architectural feasibility study	15
Parking & Traffic Consultants	Car park audit	21

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

In 2014/15, there were 11 consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10 000. The total expenditure incurred during 2014/15 in relation to these consultancies was \$56,586 (excluding GST).

# 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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