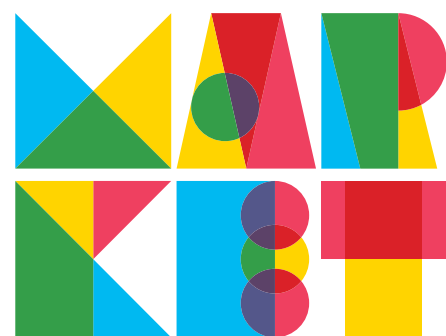


**Melbourne
Market Authority
Annual Report
2021 - 2022**



**Melbourne
Market**



The Hon. Gayle Tierney MP
Minister for Agriculture
Level 20, 1 Spring Street
Melbourne VIC 3000

Dear Minister

The Melbourne Market Authority (MMA) has pleasure in submitting its Annual Report for the year ending 30 June 2022.

This report covers the period 1 July 2021 to 30 June 2022. The Board is committed to the effective and efficient operation of the market and to ensuring that the MMA remains responsive to its various customer groups, stakeholders, and overall operating environment.

I commend this report to you and assure you of the MMA's commitment to working with the industry.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'PJS', is positioned below the 'Yours sincerely,' text.

Peter Tuohey
Chairperson

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RESPONSIBLE BODY'S DECLARATION

In accordance with the *Financial Management Act 1994* I am pleased to present the Melbourne Market Authority's Annual Report for the year ending 30 June 2022.

A handwritten signature in black ink, appearing to read 'PJT', is positioned above the printed name and title.

Peter Tuohey
Chairperson
Melbourne Market Authority
28 September 2022

SECTION 1: YEAR IN REVIEW

The Melbourne Market is administered by the Melbourne Market Authority (MMA), established under the *Melbourne Market Authority Act 1977 (Vic)* (the Act). The MMA is a government Statutory Authority which serves the Victorian fruit and vegetable industry along with the flower industry, through the provision of market facilities, strategic direction for and promotion of the fresh produce industry

The members of the Board are appointed by the Minister. The responsible Minister for the period from 1 July 2021 to 30 June 2022 was:

The Hon. Mary-Anne Thomas MP, Minister for Agriculture, 1 July 2021 to 26 June 2022

The Hon. Gayle Tierney MP, Minister for Agriculture, 27 to 30 June 2022

The MMA's financial performance for the reporting period was in line with budget expectations.

Our vision

The Melbourne Market will be recognised Australia-wide as an industry leader, committed to innovation, quality and operational excellence. Utilising the wholesale Market as the anchor, the Market precinct will become a fresh produce processing, distribution and logistics centre of international significance.

Our mission

To maintain a vibrant and sustainable Market by responding proactively to the fundamental shifts in the fresh produce trading environment and helping our clients to adapt.

Our values

The MMA will approach our work and each other with a commitment to:

- **PASSION:** We bring our best and are passionate about what we do
- **DIVERSITY:** We embrace differences and treat everyone with respect
- **SAFETY:** We are committed to ensuring a safe and healthy work environment
- **SERVICE:** We listen to our customers, continually innovate and explore new opportunities
- **IMPACT:** We create a lasting positive impact in our communities and on the environment

Objects of the Authority under the Act

- Provide a commercially viable wholesale facility for the efficient distribution of fresh produce.
- Optimise returns on land assets controlled and managed by the Authority.
- Ensure a fair and competitive environment for the wholesale trading of produce.

CHAIRPERSON'S AND CHIEF EXECUTIVE OFFICER'S REPORT

We respectfully acknowledge the Wurundjeri Willum Clan and pay our respects to their Elders, both past, present, and emerging. We acknowledge and uphold their continuing relationship to this land.

Over the last 12 months, the Melbourne Market Authority (MMA) has worked extensively to meet the commitments and targets laid out in our three-year Corporate Plan. As part of an annual review of the Corporate Plan in May 2021, the Board and staff took the opportunity to re-evaluate the commitments set out in the plan and update some of the actions and performance indicators to better reflect current priorities. The review included the addition of a new priority area, Lead Environmental Sustainability, demonstrating our commitment to reducing our environmental impact and maintaining our industry leadership in environmental sustainability.

Assisted by the close collaboration of our trusted partners, we continue to work towards delivering on our plans and goals to fulfil our vision.

This annual report features many of the projects and developments that the MMA has begun or completed, which we believe will help meet the challenges faced by both the market and the fresh produce and flower industries whilst also taking advantage of innovative opportunities.

On behalf of the MMA we thank the many agencies, government departments, growers, wholesalers, retailers, and advisory committees involved in this collaborative effort. Their ongoing engagement is instrumental in preparing for the future.

In the largest construction project since our move to Epping, we completed the construction of 2.2 hectares of undercover car parking canopies over the North and South courtyards adjacent to the main market building. Market users had asked for additional undercover parking on the site for some time, and the MMA is proud to have finalised construction on this vital piece of market infrastructure. The \$13 million investment has not only provided an immediate benefit in the form of an additional 100 undercover truck parking bays and 200 loading bays but is also consistent with our sustainability objectives and will reduce the market's environmental footprint with a rooftop solar system.

Our environmental focus spans beyond energy generation, and this year again, the market community maintained its high levels of recycling, with just 2% of market waste going to landfill. But we won't stop there, and we are always looking for new initiatives to reduce our waste to landfill. We thank all market users for their commitment to achieving this goal.

The MMA continues to invest in initiatives that drive sales to businesses that buy from the market. The MMA has played a vital part in the Central Markets Association of Australia's (CMAA) involvement, along with Fresh Markets Australia, to deliver '*A better choice!*', a national consumer marketing program to influence consumer behaviour to shop at the local greengrocer. Victorian greengrocers continue to embrace the program, with over 170 independent retailers on board as members. With several successful marketing campaigns run during the reporting period and a new dedicated resource to enhance engagement with the Victorian member base, the program is going from strength to strength.

The MMA has continued to deliver and invest in fresh flower-based marketing, encouraging consumers to buy from their local florist with several targeted campaigns throughout the year.

Both the '*A better choice!*' program and fresh flower marketing campaigns maximise economies of scale for the small to medium businesses that buy from the Melbourne Market, allowing them to have a greater share of advertising voice to compete with the major supermarkets. And when greengrocers, florists, and independent supermarkets do well, the results benefit the entire Market community.

This year the market welcomed people from Victoria's hospitality industry to join us for the first Melbourne Market Open Day. The event was an excellent opportunity to demonstrate why the Melbourne Market is without doubt, the best place to source fresh produce, with the largest variety of fruit, vegetables, and flowers in Victoria under the one roof. We look forward to holding more open days in the future to provide people in the broader industry with an insight into the critical role the Melbourne Market, and its people, play in the fresh produce supply chain.

Over the reporting period, the MMA continued to invest in the implementation of our digital transformation strategy with the roll out of a self-serve digital portal, known as 'My MMA Portal'. This portal has given our customers better control and visibility of their interactions with the MMA creating efficiencies for both the MMA and market community. While we will always have a dedicated in-person customer service team on-site, the portal allows for online interactions at any time of the day or night, better suiting market businesses. We look forward to building more functionality in the portal in the coming year to further improve efficiencies.

This year we took the time to refine our values, looking at what is important to us as an organisation and as a broader market community. To live up to our values, we believe the MMA has a leadership role to play in modernising the culture within the Melbourne Market to create a more inclusive and respectful environment for all. We have begun initial work on a market-wide culture change project, engaging expert consultants to guide us through the journey. Whilst we acknowledge there will be

challenges, this project will be a focus for the MMA moving forward to ensure Melbourne Market remains a great place to do business, where people are proud to work and trade.

Whilst the first half of 2022 has seen a transition to a 'COVID normal' trading environment, we continue to navigate the risks and challenges posed by the COVID-19 pandemic to remain open and deliver fresh produce to Victorians. One of the most effective ways to reduce the risk of transmission and severe illness due to COVID-19 is vaccination, and we were proud to be able to offer onsite vaccination on four separate occasions to our market community. The Melbourne Market Vaccination Hub saw over 3,000 market users conveniently vaccinated on site. We thank our market users who rolled up their sleeves and did their part to protect themselves, their loved ones, and the fresh produce supply chain by getting vaccinated. Unfortunately, ongoing and knock-on effects from the COVID-19 pandemic continues to be a part of our lives; however, we are confident we have the processes and resources in place, and support from the whole market community, to deal with whatever comes next. We want to thank everyone for their contribution and for doing the right thing as we have faced these extreme challenges.

We would like to thank our outgoing advisory committee members, who completed their three-year term in March 2022. Your knowledge, insights and contribution have been an asset to the market and the industry. We welcome new and continuing advisory committee members who begin the next three-year term and look forward to a productive working relationship as you represent your stakeholder groups. We'd like to welcome members of our two newly established consultation groups, the Melbourne Market Safety Committee and the Transport and Logistics Consultation Group, who will be advisory bodies to the MMA on these subject matters.

We want to thank the representing body for fruit and vegetable wholesalers, Fresh State, for continuing to develop our important working relationship, particularly our joint collaboration in the *A better choice!* program. By consulting with each other and working together, it benefits the industry and the market community.

Special mention must be made to Agriculture Victoria, particularly our Ministers for Agriculture during the year. We thank and acknowledge The Hon. Mary-Anne Thomas MP, for her support during her time as Agriculture Minister and wish her well in her new appointment. We congratulate The Hon. Gayle Tierney MP on her recent appointment and look forward to developing a meaningful relationship with her and her office in the future to benefit not only the Melbourne Market community but all those who are part of the fresh produce supply chain.

We welcome our newly appointed Board member, Dr Hermione Parsons, and thank her, along with fellow Board members David Beatty, Jacinta Carboon and Susan Friend for their support and leadership over the past 12 months. And lastly, we would like to thank the MMA Executive Leadership Team, our facility management partner Plenary Asset Management, and all MMA staff who have worked tirelessly to help achieve our goals over the past 12 months.

We've achieved a lot at the market this year, but we know we still have much more to do. We look forward to a busy few years ahead as we work to deliver on our commitments and continue to work with the market community to ensure that the Melbourne Market remains a great place to do business.

We are pleased to present the Melbourne Market Authority's 2021-22 Annual Report.




Mark Maskiell
Chief Executive Officer
Melbourne Market Authority




Peter Tuohey
Chairperson
Melbourne Market Authority

PURPOSE AND FUNCTIONS

The MMA a government Statutory Authority established under the *Melbourne Market Authority Act 1977 (the Act)*. The MMA serves the Victorian fruit and vegetable industry along with the flower industry, through the provision of market facilities, strategic direction for and promotion of the fresh produce industry.

The Act prescribes the following objectives and functions for the MMA:

Objectives

- To provide a commercially viable wholesale facility for the efficient distribution of fresh produce.
- To optimise returns on land and assets controlled and managed by the MMA.
- To ensure a fair and competitive environment for wholesale trading of produce.

Functions

- To control, maintain and manage the market and the market land.
- To promote the use of the facilities at the market.
- To provide advice and information to the Minister on matters relating to the market and its use by industry and on industry related matters generally.
- To do all things the MMA is authorised or required to do by or under this or any other Act or law.

The Melbourne Market, a wholesale institution nearly as old as Victoria itself, is fundamental to Australia's fresh produce industry. The traditional role of Melbourne's wholesale Market is to enable the people of Victoria to have daily access to the best in fresh fruit, vegetables, and flowers from across Australia and around the world.

The Melbourne Market completed a once in a generation move to a new facility in August 2015, which signified more than just a new building. It was a new opportunity for the industry and its participants in a rapidly changing sector and an opportunity to expand the market's role as an asset of state significance to a food hub of international significance.

Consistent with the Victorian Government's vision to have a Victorian agriculture sector that is strong, innovative, and sustainable, the Melbourne Market Authority aims to attract more ideas and investment, help businesses innovate and grow, capture market opportunities, develop our infrastructure, and improve environmental sustainability.

This is evident in the strategies and actions of the MMA's Corporate Plan.

The Victorian Government's Agriculture Strategy objectives include driving creativity and the adoption of new ideas to improve productivity and efficiency of agriculture supply chains. By responding proactively and creatively to the fundamental shifts in the fresh produce trading environment, delivery of this Corporate Plan will ensure we'll be positioned to adapt and leverage these shifts in our traditional role in the supply chain to our advantage, as well as our clients.

The aspiration for smart agriculture needs to be supported by smart supply chains, including the Melbourne Market.

During the reporting period the MMA worked with industry to deliver on six priority areas for the Melbourne Market

1. Continuously improve the operating environment,
2. Maximise the utility of Market Land and the trading floors,
3. Driving logistical efficiency.
4. Facilitate export growth.
5. Embrace digital change, and
6. Lead environmental sustainability.

PORTFOLIO PERFORMANCE REPORTING

Objectives, indicators and linked outputs

The Melbourne Market Authority's Corporate Plan sets out what we want to achieve for the Melbourne Market community over the next three years. It also aims to demonstrate how we will support the current and future viability of the market as an innovative food hub for Victoria and how we can embrace digital change to ensure the market continually improves and remains a key player in the wholesale of the freshest fruit, vegetables, and flowers.

The plan delivers on our obligations under the Act.

- to provide a commercially viable wholesale facility for the efficient distribution of fresh produce;
- to optimise returns on land and assets controlled and managed by the MMA; and
- to ensure a fair and competitive environment for wholesale trading of produce.

These obligations determine how we can plan for and service our growers and wholesalers over the long, medium and short term, and hold ourselves accountable as its governing authority.

Through annual reporting, we will report on our progress towards achieving the outcomes of this plan, our financial performance and project delivery. The Melbourne Market Authority's Three-Year Corporate Plan is structured around six strategic objectives which are accompanied by indicators and outputs to track our levels of success against what we set out to do versus what we achieved. The six strategic objectives for the 2021-2022 Corporate Plan are illustrated in Table 1 below:

Table 1 – Agency objectives, indicators and linked outputs

Objectives	Indicators	Outputs
1. Continuously improve the operating environment	<ul style="list-style-type: none"> • Services delivered by the MMA are priced lower than those available externally including electricity, glycol, LPG, diesel, waste services inside the Market are cheaper than provided externally (electricity benchmarked against top 8 local providers) reported quarterly. • Ongoing MMA operating costs escalation less than 2.5% annually. • Customer satisfaction survey results greater than 70% satisfied, undertaken during the December quarter annually. • Target zero WorkSafe reportable injuries for MMA as measured at the conclusion of the financial year. 	<ul style="list-style-type: none"> • Identify opportunities to add value for our clients • Seek ways to continually reduce operating costs. • Support market customers to build business skills and capability • Continue to improve the safety of the site while reducing the compliance burden • Extend industry networks • Maintain Effective QMS System • Increase the efficiency of the MMA's interaction with Market users and improve the customer consultation process • Effective Operating Model • Continuously Improve organisational design
2. Maximise the utility of the trading floors	<ul style="list-style-type: none"> • Maintain annual visitation levels (measured monthly) • Generation of \$200k in new revenue opportunities as compared to prior year. • Maintain 95% occupancy for fruit & vegetable trading stands and stores as measured at the conclusion of the financial year. 	<ul style="list-style-type: none"> • Policies, procedure and initiatives in place to ensure optimal retail traffic on market floor • Trading Stand product diversification, offers and service (e.g. pot plants, dry goods or accessories) i.e. attract new sellers • Continue to introduce initiatives to attract more florists and flower buyers to the flower market • Increase the profile and relevance of the market floors as a vital part of the horticultural supply chain • Implement initiatives to support greengrocer resilience • Implement placemaking strategy to make the market an enjoyable place to be • Increase customer insights to inform the implementation of new products and services that add value to Market users • Identify the best uses for vacant land within the market sites and pursue the private sector to take up these opportunities • Future development area master planning and implementation with DJPR
3. Drive logistical efficiency	<ul style="list-style-type: none"> • Identification of additional facilities and services that enhance logistical efficiency. • Prioritisation, business case development and delivery of the additional facilities and services. 	<ul style="list-style-type: none"> • Generate actionable insights to enhance on-site logistics efficiency and position the Market as a logistics hub • Implement projects that improve on-site logistical efficiency and utility
4. Support export growth	<ul style="list-style-type: none"> • Identification of additional facilities and services that support export growth. • Servicing Victorian trade missions through the Market as required to the satisfaction of DJPR. 	<ul style="list-style-type: none"> • Complete 'Export and Innovation Food Hub' Masterplan • Leverage opportunities for export facilitation and growth

5. Embrace digital change	<ul style="list-style-type: none"> • Refine the use of the CRM system internally • Fully integrate CRM system as a primary method of Market users' interaction with MMA through customer portal. 	<ul style="list-style-type: none"> • Seek out opportunities to adopt digital technology to improve efficiency • Support our customers to respond to the opportunities and challenges posed by digital disruption • Increase MMA's Digital Capabilities and Governance of IT • Seek out opportunities to collect and disseminate data on volume, product flows and pricing
6. Lead environmental sustainability	<ul style="list-style-type: none"> • Deliver on solar canopy project to implement 1.8 MW solar PV system • Investigate use of additional renewable energy projects. • Maintain site recycling rate to high standard. 	<ul style="list-style-type: none"> • Maintain our industry leadership in environmental sustainability • Investigate ways the market site could be utilised for sustainability initiatives as part of wider Victorian Agriculture • Increase use of renewable energy across the site • Investigate the use of Hydrogen for power use on the site • Increase the site rainwater harvesting capacity to reduce reliance on potable water supply • Implement initiatives to further maintain current recycling rates

Objective 1: Continuously improve the operating environment

This objective focuses on continually seeking opportunities to improve the cost-effectiveness, efficiency, and safety of the market for the MMA's clients. Acknowledging its leadership role, the MMA takes a proactive stance in assisting market users in adapting to highly dynamic industry forces and strives to maintain the market as an affordable place of business.

The Melbourne Market is a busy and vibrant industrial site, with vehicles and pedestrians working in close proximity, which has the potential to cause incidents and injury. The Melbourne Market has a target of zero WorkSafe reportable incidents, and while this may be challenging due to the nature of operations on site, we continue to implement processes and initiatives that work towards this ambitious target. During the reporting period, the Melbourne Market experienced an increase in WorkSafe reportable incidents from five in the previous year to nine. While no specific trend can be attributed to the increase, the MMA continues to review the incident and near-miss data to direct OHS initiatives where they will be most effective.

During the previous reporting period, the MMA engaged Impact Traffic Engineering Pty Ltd consultants to review the site's traffic management plan. The extensive traffic management review process resulted in 22 recommendations, of which 16 were deemed suitable for the environment to improve traffic flow and safety. The roll-out of these recommendations commenced during the reporting period, involving trials and feedback from the market community. Five recommendations have been completed in full, six are currently in progress and the remaining five are pending the additional warehouse construction on the site's Eastern boundary.

To reduce the risk of incidents caused by a person attending the site under the influence of prohibited drugs or alcohol, the Melbourne Market drug and alcohol testing program continued on-site. During the reporting period, 231 random drug and alcohol tests were conducted. This was significantly lower than targeted as health concern challenges related to COVID-19 resulted in random testing being paused during various times of the year. Standalone breathalyser units continue to be available on the Buyers' Walk as an initiative to enable business principals to test their staff. In addition, standalone breathalyser units continue to be used at the front gate security office, where all market visitors must undergo mandatory breath testing and record blood alcohol content of 0.00 per cent before being allowed onto the site.

An effective occupational health and safety model requires input and buy-in from across the market, where the community takes active responsibility for the safety of themselves and others. To further increase collaboration and consultation regarding OHS, the MMA implemented the Melbourne Market Safety Committee. The committee comprises members from various stakeholder groups with the purpose of facilitating the free exchange of ideas, fostering communication, and initiating education concerning occupational health and safety. The committee met on three occasions, which gave rise to several safety initiatives, such as automated reminder processes for forklift registration renewals, a review of the site operating rules and engagement with forklift and buggy repair service providers to ensure a safe and consistent approach to roadworthy certifications and incident reporting.

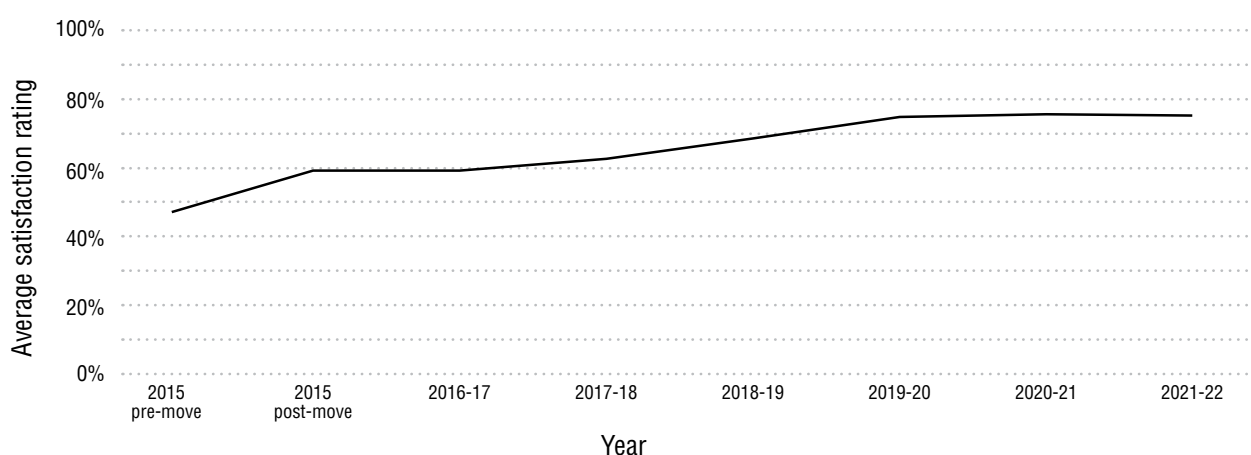
As well as a market user's physical safety, the MMA also considers market users' mental health and well-being. Through various market consultative channels, recent evidence shows that some market users (both tenants and buyers) are unhappy with the existing culture of the Melbourne Market, where reports of racism, sexism, harassment, and aggressive behaviour have been voiced. To live up to our values, the MMA is taking a leadership role in modernising the culture within the Melbourne Market to create an inclusive and respectful environment for all. During the reporting period, the MMA began work on a market-wide large-scale culture change project. Expert consultants have been engaged to guide the MMA in launching this culture change initiative which aims to create a more inclusive and respectful Melbourne Market for everyone, where people are proud to work and trade.

To continuously improve the operating environment, the MMA look to implement initiatives that make the Melbourne Market an enjoyable place to be. A large-scale mural was painted in a central outdoor location in the market, adding to the series of artworks that were painted in the flower market during the previous reporting period. The mural depicts the fresh produce supply chain from growing, harvesting, selling through to consuming and was designed in a bright colour palette to complement the existing brand colours and brand identity. Another large-scale artwork was created on the Buyers' Walk, which displays the names of all

the Melbourne Market's 40-year gold card holders. In total, 158 names are displayed in the brightly coloured installation, Market events create a sense of community and belonging, making the Melbourne Market an enjoyable place to do business. A rolling program of seasonal events occurs in both the flower and fruit and vegetable market, including events for Australia Day, ANZAC day, Lunar New Year and Christmas. The COVID-19 pandemic saw a number of these events cancelled or scaled back; of those that did run, some were used as a platform to raise funds and awareness for various charities. During the reporting period, the MMA held an event for International Women's Day, celebrating the women of the Melbourne Market and encouraging market users to support the theme of #BreakTheBias on social media.

After a two-year hiatus because of COVID-19, the 'Children in the Market' events could run during the April 2022 and June 2022 school holidays. This initiative where market users can bring their children to work for a day enables the next generation to have exposure and an understanding of the market environment and its role in the fresh produce supply chain. During the June 'Children in the Market' occasion, a charity event was held in partnership with market wholesaler, V F Siciliano and Sons, raising funds for the children's charity HeartKids. The event brought television and AFL celebrities to the market with live auctions, raffles, superheroes, and children's entertainment. It was a popular moral boosting event after several years of minimal market community events.

In the fourth quarter of each year, the MMA undertakes its annual customer satisfaction survey. This year, the survey showed a weighted average satisfaction rate of 76 per cent, exceeding our objective of a 70 per cent satisfaction rate and maintaining overall satisfaction compared to the previous year. Historical data shows consistent improvement in the satisfaction with the MMA and the market itself since the move to the Epping site in 2015, with a 29% improvement over the previous seven years.



The COVID-19 pandemic has been unprecedented and altered operations at the Melbourne Market. The MMA's response to the pandemic continues to be swift and thorough when required, with preventative measures such as compulsory temperature screening, additional hand sanitiser units installed and increased cleaning schedules to high-risk areas implemented at necessary times during the pandemic. The MMA have consistently kept the market community well-informed, with timely and regular communications relating to current restrictions and ways to protect people and the fresh produce supply chain from the effects of COVID. To support the market community in preventing transmission of COVID-19 the MMA successfully advocated for a vaccination hub to be set up on-site on four separate occasions during the reporting period. Having a vaccination hub onsite provided easy access to vaccination for a workforce that does not typically work standard hours. The first vaccine hub, set up in August 2021, when vaccination bookings were challenging to secure for the general public, saw 3,006 market users vaccinated over three weeks in a walk-up clinic run by Austin Health.

The MMA Board and Executive Leadership Team commit to undertake three external visits to farm sites and retailers each year to hear first-hand the challenges facing the industry and the associated implications and opportunities these present for the market. The trips are part of the MMA's commitment to continue to obtain a better understanding of the needs of the customer base and allow the MMA to see different sections of the supply chain. This corporate knowledge better informs our Corporate Plan and future projects. Due to COVID challenges, only two site visits were undertaken during the reporting period, with the MMA Board and Executive Leadership travelling to Tasmania to learn about the supply chain and domestic export, as well as a trip to Fresh Berry growers in Coldstream, Victoria.

After a successful three-year term, current advisory committees were dissolved, with nominations requested from interested parties to form the next advisory committee term (2022-2025). The four advisory committees represent each key market stakeholder group, including wholesalers, growers, fruit & vegetable buyers, and the flower industry, and these committees work with the MMA to advise on matters relating to market operations and the fresh produce industry. Several of the previous committee members have been reappointed for a subsequent term, and we welcome new committee members who will bring a fresh perspective and new ideas to the group.

Indicator	2021-22	2022-23	2023-24
• Services delivered by the MMA are priced lower than those available externally.	✓		
• MMA operating costs escalate by less than 2.5% annually.	✓		
• >70% Market user satisfaction measured by the annual survey.	✓		
• Target zero WorkSafe reportable injuries.	X		

Objective 2: Maximise the utility of the trading floors

This objective focuses on identifying services and facilities that could be delivered within the existing Market Land and the market's future development area. This work is intended to create new revenue streams that increase the financial viability of the MMA and the market's value proposition for users. This objective also focuses on leading opportunities to improve the vibrancy and functionality of the Market Land and trading floors, and implementing initiatives to support the businesses that purchase from the Melbourne Market.

There are approximately seven hectares of developable land within the current market boundary and 51 hectares of developable land on the adjacent site.

The MMA is eager to see the development of the 51 hectares of land adjacent to the market, and during the year the MMA continued engaging with key stakeholders within State Government, advocating for the development of this expansion land to create a food and logistics hub of international significance.

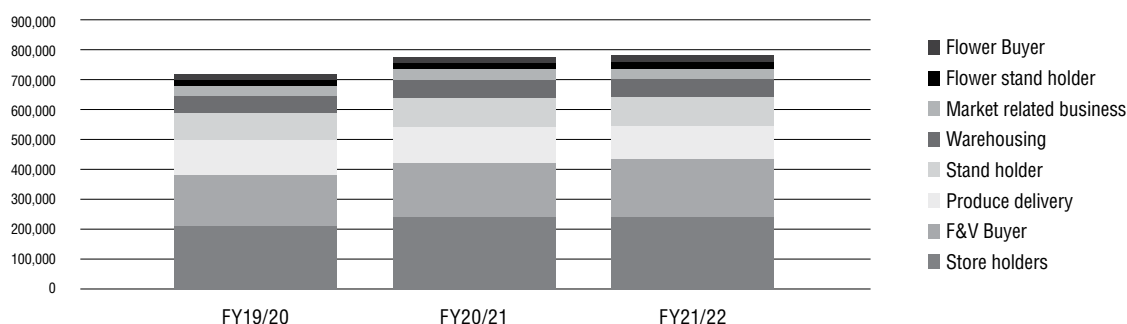
Pad 14 is in a unique location on existing Market Land. Situated adjacent to the Melbourne Market's Gate 1 entrance, any building structure allows access from both inside the market as well as being accessible to the general public in a highly visible location. This presents an opportunity to construct a facility not just for warehousing but also to meet the unique needs of a high-profile tenant. With its prime location at the market's entrance, the MMA sees value in leasing a combined warehousing and office facility to a high-profile tenant with existing operations inside the market and a broader industry footprint. During the reporting period, plans were refined to construct a large format warehouse and complementary office space.

Work has continued to identify the best use for existing tenancies. For several years the central commercial precinct on the Buyer's Walk has been underutilised, with a large commercial tenancy left vacant with the departure of the wholesale deli store in 2017. With high demand for fruit and vegetable store tenancies on the Buyers' Walk, a market café located at tenancy 105 was relocated to the vacant commercial tenancy and tenancy 105 was converted into a fruit and vegetable store. The new store was fitted out to the same specifications as surrounding tenancies and leased by Priest Bros in December 2021. The relocation was an improved use of both spaces and added an additional revenue source for the MMA in a tenancy that may have otherwise remained vacant. Moving a café to a central market location now provides easy access for market users from both the Trading Floor and Buyers' Walk.

Demand remains constant for fruit and vegetable tenancies at the Melbourne Market, with overall occupancy at circa 95% per cent. The MMA purposely leaves several trading stands vacant, to allow for growers to license casual stands to account for produce seasonality, therefore 100 per cent occupancy is not attainable, nor is it expected.

Entries to the market increased slightly over the reporting period. This increase could be attributed to the transition towards a COVID normal environment, where restaurants and cafes have remained open on a more consistent basis and many events that had been cancelled the year before recommenced across Victoria.

Market entries



The MMA continues to invest in initiatives that drive sales to businesses that buy from the market. In 2018 to support the fresh produce industry, the MMA along with other central markets and chambers, developed the *A better choice!* program. *A better choice!* is a national consumer marketing program to influence consumer behaviour to shop at the local greengrocer. *A better*

choice! ran several successful campaigns, including the Youth Sports Initiative and the Shop and Win campaign. Whilst Victoria has the greatest number of member stores than any other state (over 170) a key challenge has been member engagement, having member retailers as active participants in the program. To improve outcomes of the program in Victoria, a new resource was hired last year to specifically drive equitable engagement of member retailers which is funded through the A better choice! fee on access cards. With nearly 200,000 customers engaging with the brand on social media across Australia over the past year, the program is going from strength to strength.

The MMA has continued to deliver and invest in marketing fresh flowers, encouraging consumers to buy from their local florist with targeted campaigns around key flower purchase periods like Valentine's Day and Mother's Day. Small floristry businesses generally neither have the resources nor funds to create and implement mainstream broad-reaching marketing campaigns to promote the purchase of flowers. The MMA take on this role to advocate on behalf of the industry, with the benefits reaped by the individual businesses up and down the supply chain.

Both the *A better choice!* program and fresh flower marketing campaigns maximise economies of scale for the small to medium-scale businesses that buy from the Melbourne Market. This allows them to have a greater share of advertising exposure to compete with the major supermarkets.

While the promotion of retail stores is important in driving sales to the businesses that buy from the market, it is also important to effectively promote the Melbourne Market itself and how the facility and its people are critical to the fresh produce supply chain. Market research consulting group, Sapere were engaged to research the current and evolving needs of the tenants and buyers of the Melbourne Flower Market. Data indicates that since the move to Epping, there has been reduced retail traffic in the flower market, with florists doing more of their buying through satellite wholesale outlets or direct from growers. As a result, the MMA is developing a flower market strategy to introduce initiatives to attract more florists and flower buyers to the Melbourne Flower Market. As part of this strategy to drive the promotion and marketing of the flower market, a separate brand identity has been developed. The new identity needed to integrate with the Melbourne Market brand and be strong enough to stand on its own. The 'National Flower Centre' has been chosen as the new name for the flower market to represent the grandeur of the flower market and a nod to Victoria as the nation's largest fresh-cut flower grower. The brandmark has been designed to reflect the energy, variety, and uniqueness of the National Flower Centre experience. The new brand was due to be launched during the reporting period, but COVID related delays will now see the brand publicly launched during the next reporting period.

For the first time, the Melbourne Market exhibited at Melbourne's Food Services Expo, promoting the size, scale, and availability of produce at the market to those in the hospitality and food services industry. In addition, the expo provided an effective opportunity to publicise an upcoming industry open day, the first of its kind at the market. The open day saw 64 people from the hospitality industry tour the site during trade, followed by a breakfast and presentation about the market. The purpose of the day was to demonstrate that the market has the largest and freshest variety of produce for the needs of the hospitality industry and that buying from the Melbourne Market is an efficient and cost-effective method of sourcing produce.

The Market Fresh Schools program continued to serve fresh fruit and vegetables to 2907 students across 21 schools during the 2021-22 financial year, despite challenges faced due to COVID-19 restrictions. The program, funded and supported by the MMA in conjunction with market tenants, is designed to teach students the importance of eating fresh fruits and vegetables daily as part of a healthy balanced diet. The program also teaches children how fresh fruits and vegetables are grown and harvested, including an overview of the market supply chain. Normally reaching over 15,000 students each year, multiple lockdowns and school visitor restrictions meant that numbers were significantly reduced during the reporting period.

Progress towards objective 2

Indicator	2021-22	2022-23	2023-24
• Maintain annual visitation levels.	✓		
• Generation of \$200k in new revenue opportunities.	✓		
• Maintain 95% occupancy.	✓		

Objective 3: Drive logistical efficiency

This objective centres around how the MMA responds to the increasingly important role that the market plays as a logistics hub. The role of markets around the world is rapidly transitioning from a trading focus to that of being logistics and service hubs. This rate of transition has been magnified at the Melbourne Market since the move to Epping because of the opportunities relating to its location, size, and layout.

The Melbourne Market's Epping site allows for increased efficiency for tenants, with many reporting that the ability to consolidate their operations within the boundary of the market has facilitated reduced handling, transport and labour costs and improved the capacity to manage cold chain requirements.

The key benefit of the Epping site is the availability of space, permitting up to 120,000m² of on-site warehousing (an increase from 33,000m² at West Melbourne). Approximately 93,000m² of warehousing is currently occupied at Epping (75,000m² provided

by Propertylink (ESR) and 18,000m² by the MMA).

Designs for warehousing on pads 10, 11, 12A, 12B and 14 were refined during the reporting period. As a result, the proposed development equates to an additional 44,000m² of warehousing and commercial tenancies across six separate buildings.

To drive logistical efficiency, pads 10 and 11, on the southeast corner of the market, are intended for large and small format warehousing. Refined plans would see the construction of two warehouse facilities; Warehouse 10 and 11 with large format modules and accompanying offices where required. Both warehouse facilities would have dedicated areas for loading and unloading, making it an attractive proposition for potential tenants. The warehousing modules will be designed so they can be consolidated or divided to make bigger or smaller tenancies depending on needs. The initial interest shown through the EOI process has resulted in oversubscription, with any other interested parties currently being added to a waitlist.

At the time of construction of the new market in Epping, the need for additional undercover parking was considered but did not proceed due to cost constraints. Upon opening, the Epping facility had 58% less undercover parking than the West Melbourne site due to the inclusion of dedicated loading and unloading bays for each parking bay. This reduction in undercover parking had been a pain point for market users since the relocation. Exposure to the elements at Epping is acute; there are no local vegetation, green wedges, or manmade structures capable of reducing wind and rain ingress. Exposure to the elements can also have an economic impact for market users during periods of inclement weather, particularly the loss of productivity, and produce spoilage due to rain. During the reporting period, the MMA completed the construction of large-scale undercover car park canopies. The canopies are made up of six large footprint structures and have provided 100 additional truck parking bays and another 200 adjacent loading bays for market buyers to access undercover parking.

During the reporting period a consultation group was formed, made up of transport operators, loaders, and unloaders. This transport and logistics consultation group, provides the MMA with feedback from an important stakeholder group and helps to improve our understanding of logistical opportunities and challenges. The transport and logistics consultation group meets twice per year and is made up of five members as well as representatives from the MMA.

Progress towards objective 3

Indicator	2021-22	2022-23	2023-24
• Identification of additional facilities and services that enhance logistical efficiency.	✓		
• Prioritisation, business case development and delivery of the additional facilities and services.	✓		

Objective 4: Support export growth

Over the past decade, Australian horticultural exports have grown strongly due to the increasing demand from affluent middle-class consumers in Asia and the Middle East. While the onset of COVID has slowed this growth recently, Australia's reputation for safe, quality food; the proximity to these markets; and a more favourable exchange rate all auger well for future export growth. In addition, the market's proximity to Melbourne's international air and seaports is ideal for easy transportation of produce and cut flowers exported and imported into Victoria.

The MMA is committed to supporting export growth by assisting our clients in leveraging export opportunities. While increasing exports may not have a direct impact on the volume of produce traded through the market, it does provide another channel to market, which enhances the financial viability of our tenants. This assists in protecting the MMA's future revenue streams and also increases the opportunities for the Victorian agricultural industry.

Of the future warehousing planned for the site, warehouse spaces on both Pad 12A and 12B have been identified as a suitable location for the state-of-the-art export hub, where fresh produce and other refrigerated products can be consolidated for international export. During the reporting period, the MMA Chief Executive Officer and Chief Operating Officer met with a leading logistics organisation to discuss the management and movement of produce from farm to export facility to market. These discussions have been a catalyst to begin investigations to thoroughly understand the challenges and opportunities relating to the many links in the export supply chain. These include fumigation and irradiation processes, consolidation, aggregation, containerisation, temperature control and shipping via air, sea, road, and rail. The result of these investigations will make up the components of a business case for this state-of-the-art export facility to be located within the Melbourne Market site. Additional MMA staff resourcing has allowed the current Chief Operating Officer to dedicate time to this exciting opportunity, and the MMA is excited to develop the export hub project over the next reporting period.

The Melbourne Market is an ideal venue to host inbound trade missions with an appropriate showcase facility demonstrating the range of produce available within Victoria and nationally in a single, modern facility. The MMA supports Global Victoria's inbound trade missions and the work of other industry bodies, including AusVeg, Victorian Farmers Federation, Australian Horticultural Exporters' and Importers' Association and Horticulture Innovation Australia. Due to the COVID-19 pandemic, just one inbound international delegation was hosted during the reporting period, from India.

Progress towards objective 4

Indicator	2021-22	2022-23	2023-24
• Identification of additional facilities and services that support export growth.	✓		
• Servicing Victorian trade missions through the market as required to the satisfaction of DJPR.	✓		

Objective 5: Embrace digital change

The MMA is focused on being a customer-centric organisation, and as part of this, we recognise that digital technology has the potential to improve the market user experience and increase efficiency. The MMA is committed to embracing digital change by identifying and implementing opportunities to improve efficiency, transparency and exploit new business opportunities.

Over the past three years, the MMA has invested significantly in our customer relationship management system and digitalisation of the market user experience. The first step in the market's digitalisation was implementing a single integrated customer relationship management (CRM) system, which improved internal efficiencies. From this base, the customer portal, known as 'My MMA Portal', was developed and rolled out to market businesses during the reporting period. The portal provides businesses with a single digital platform to view business account details and facilitates interactions with the MMA.

The portal contains essential data for market users, including business account information, management of invoices and payments, management of access cards, real-time glycol consumption and management of repairs, infringements, incidents, and tenant works. The portal has transformed the way of doing business at the market by allowing market users to interact with the MMA and view their business account details at a time that suits them. With the varied working hours of most market businesses, this shift allows for better use of time and increased efficiency.

The MMA worked closely with a group of market users in a thorough trial of the portal to ensure it delivered on users' key needs, such as accessibility and usability. The trial allowed any system faults to be remedied before it was rolled out to all market customers.

The MMA has a priority list of additional features to be added to the portal, and during the reporting period, work began to integrate parking details onto the system. Parking is a key interaction touch point between the MMA and market users, so its addition to the portal will significantly increase efficiencies for both the MMA and the vast number of businesses that utilise parking at the market.

As well as focusing on further developing the My MMA Portal, the MMA also begun investigations to identify other digital technology methods that would make life at the Melbourne Market more efficient and user-friendly. Initial investigations on license plate recognition for entry, mobile-enabled digital site access card, and live digital mapping of the site were all commenced with plans to implement these new technologies over the next reporting period.

With digital technology playing an increasing part in day-to-day operations at the Melbourne Market, our digital security must meet the site's needs, which is crucial in Victoria's food supply chain. The MMA made security upgrades to various software systems during the year and while these upgrades are not visible to market users, without them, there is the potential for significant disruption to both the MMA and market businesses should they be breached. One such system was the LPG point of sale terminals; many market users opt to use the MMA's onsite LPG filling station to refuel forklifts and other vehicles. The efficiency of this system lies in its ability to allow forklift drivers to scan at the filling bowser with a digital fob which is billed to the business via the My MMA Portal. A project was undertaken to update the point-of-sale terminals at the bowsers with a new payment software system. The upgrade has improved digital security, reducing the risk of external breaches during the financial transaction process.

Progress towards objective 5

Indicator	2021-22	2022-23	2023-24
• Refine the use of the CRM system internally.	✓		
• Fully integrate CRM system as a primary method of Market users' interaction with MMA through the customer portal.	✓		

Objective 6: Lead environmental sustainability

The MMA has had a long-held commitment to reducing our environmental impact and maintaining our industry leadership in environmental sustainability. This newest strategic objective, *Lead environmental sustainability*, was added at the beginning of 2021-22 and aims to identify and implement infrastructure and education programs that minimise the market's environmental footprint.

There is a high volume of activity occurring operationally within the market to support this priority area with ambitious plans to grow the market into an environmentally sustainable site that aligns with the Government's vision for Victoria to be a front runner in low-emission food and fibre production.

The waste generated by processes within the Melbourne Market is divided into three general classes, landfill, organics, and recycling. Provided Market users separate their waste into the recycling streams of cardboard, plastic, polystyrene, wood, and organics, it can be disposed of free of charge. Over the reporting period, the market saw an increase in waste generated but still maintained a recycling rate consistent with previous years, with an impressive 98% of waste recycled.

Market users donated a massive 329,910 kilograms of organic produce to Food Bank Victoria, and 83,540 kilograms to Fareshare as part of the market's food recovery program. Continued promotion of these programs helps to ensure food nearing the end of its shelf life with reduced sale value can still be consumed, reducing waste, and helping feed vulnerable Victorians. A further 183,180 kilograms of produce was donated to the Melbourne Zoo and farms, reducing wastage. The MMA's partnership with Yarra Valley Water's waste-to-energy facility continued, with 1,550,900 kilograms of organic waste delivered to the facility during the year. These activities, combined with the financial incentives of the MMA's waste disposal system, maintained low levels of landfill deposits.

During the reporting period, the MMA completed the construction of six new large-scale undercover solar car park canopies over the North and South courtyards adjacent to the main market building. The \$13 million project now houses a massive 1.95 megawatt roof-top Solar PV System, which will support on-site energy demands once connected. The solar canopy, which is made up of 4,332 individual solar panels, will save approximately 960 tonnes of CO₂ emissions per year, or the equivalent of planting 28,660 trees. While there are still challenges in negotiating with SP Ausnet to upgrade external infrastructure to support the volume of energy that will be generated, the MMA is confident this issue is close to being resolved.

With 11 hectares of usable roof space, the MMA's ambition is that the market site would become a source of renewable energy production for wider use throughout Victoria's agriculture industry. Excess energy produced on site would be supplied back to the grid, allowing the farms and businesses that grow food and provide services for the market to use the excess energy.

As well as utilising the market's vast roof space for solar energy production, the rooftops harvest valuable rainwater used for toilet flushing, water for flower buckets and other areas not requiring potable water. During the year, infrastructure was put in place to redirect harvested rainwater to the central cooling plant water towers, saving approximately 10 million litres of potable water during the reporting period.

While solar energy and harvested water will continue to be an ongoing focus for reducing environmental impact, the MMA is always looking for new opportunities to continue our leadership in environmental sustainability.

Investigations into a possible partnership with a large water authority continued, potentially seeing a delivery pipeline of electrolysis-derived hydrogen for energy use at the Melbourne Market site via existing underground pipelines. The formulation of a business case is underway.

Progress towards objective 6

Indicator	2021-22	2022-23	2023-24
• Deliver on solar canopy project to implement 1.8 MW solar PV system.	✓		
• Investigate use of additional renewable energy projects.	✓		
• Maintain site recycling rate to high standard	✓		

PORTFOLIO PERFORMANCE REPORTING – FINANCIAL

Budget portfolio outcomes

The budget outcomes provide comparisons between the actual financial statements and the forecast financial information (initial budget estimates). The budget outcomes comprise the comprehensive operating statements, balance sheets, cash flow statements and statements of changes in equity.

The following budget outcomes statements are not subject to audit by the Victorian Auditor-General's Office (VAGO).

Five-year financial summary

(\$ thousand)

Five year financial summary	2021-22	2020-21	2019-20	2018-19	2017-18
Total revenue	29,004	28,069	24,073	26,060	24,445
Total operating expenditure	(25,693)	(24,602)	(22,628)	(21,999)	(19,959)
Net profit before income tax & depreciation	3,311	3,467	1,4451	4,061	4,486
Depreciation charge	(13,861)	(13,608)	(13,872)	(12,565)	(12,644)
Net result from transactions	(10,550)	(10,141)	(12,427)	(8,504)	(8,158)
Net result for the period	(10,556)	(10,145)	(12,431)	29,955	2,227
Net cash flow from operating activities	3,052	8,151	(1,584)	5,150	3,586
Total assets	480,506	487,095	505,265	520,283	490,191
Total liabilities	33,709	29,742	25,777	28,363	28,225

Overview

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of the MMA.

The MMA recorded an operating profit before tax and depreciation of \$3.3 million for the 2021-22 financial year and had net cash inflow from operating activities of \$3.1 million.

The depreciation charge reflects usage of the Epping site for wholesale market activities. While the depreciation charge results in an accounting loss, it does not impact on MMA's ability to produce a positive cash flow from operating activities.

Financial performance business review

Total revenue and income increased by 3.3 per cent on the prior period and total expenses from transactions have increased by 4.4 per cent.

Other operating expenses that relate mainly to repairs and maintenance conducted to ensure the site is held to a high standard represent 52.79 per cent of total expenses from transactions and the net result from transactions is consistent year on year.

Financial position – balance sheet

Net assets decreased by \$10.5 million over the year to \$446 million, of which \$13.8 million was related to depreciation of buildings, additional \$6.6 million in Treasury Corporation of Victoria ("TCV") fixed loan borrowed for and offset with property, plant equipment additions of \$10.1m primarily for the Undercover Parking Solar Canopy and \$0.2 million in other items.

Cash flows

Cash balances decreased by \$1.8 million during the period to \$21.8 million at date of reporting. The decrease was due to capital expenditure projects totalling of \$10.1 million which was offset with borrowings from TCV of \$6.6 million, cash inflows from operations of \$3.1 million which was offset with associated capital loan repayments of \$1.4 million.

Capital projects/asset investment programs

No capital projects of \$10 million or greater Total Estimated Investment were completed during the 2021-22 financial year.

Subsequent events

At the date these Financial Statements are authorised for issue, no further adjustments in respect of the impact of COVID-19 pandemic have been made. However, the COVID-19 situation continues to evolve. The full consequences on the MMA's future financial performance and the value of the MMA land and buildings continues to be uncertain. Other than the uncertain impact of COVID-19 pandemic, there are no reportable events subsequent to the reporting period.

SECTION 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE

Governance and Organisational Structure

The board is responsible for the overall governance, management and strategic direction of the MMA and for delivering accountable corporate performance in accordance with the MMA's goals and objectives.

Board Member	Memberships and attendance	Biography
Peter Tuohey	Commenced as a Board member on 18 January 2017 and was appointed Chairperson until 17 January 2020. Peter was re-appointed in January 2020 for an additional 3-year term until 17 September 2022. Member of the MMA Marketing Committee and the MMA Remuneration Committee from February 2017. Chair of the Remuneration Committee from July 2020. Peter has attended twelve out of twelve Board meetings.	Peter is a fifth-generation grain, wool and prime lamb producer, whose experience in freight and logistics has seen him appointed as the Chair of the Victorian Rail Freight Working Group, Director on the Victorian Ports Corporation (Melbourne), a member of the Ministerial Freight Advisory Council. He continues to represent the interest of farmers as the Rural Assistance Commissioner. At the Victorian Farmers Federation (VFF) Peter served as President from 2012 to 2016 and as Vice President from 2009 to 2012. He was also Chair of the VFF Farm Business and Regional Development Committee from 2010 to 2013. At a national level, Peter was on the board of the National Farmers Federation (NFF) from 2012 to 2016 and served on its Economics committee.
Jacinta Carboon	Commenced as a Board member on 18 January 2017 and was appointed until 17 January 2020. Jacinta was re-appointed in January 2020 for an additional 3-year term until 17 September 2022. Member of the MMA Remuneration Committee, the Fruit & Vegetable Retailers Advisory Committee and the Chair of the MMA Marketing Committee from February 2017. Jacinta has attended eleven out of twelve Board meetings.	Jacinta has held an executive career with top ASX 200 companies, for over three decades, is an entrepreneurial thinker and innovator with professional expertise in strategy, sales, marketing and business development. Jacinta holds a Bachelor of Business and is a graduate of AICD. She is also a Non-Executive Director of RSPCA Victoria and Neami National.
David Beatty	Commenced as a Board member on 13 March 2018 and was appointed until 17 January 2020. David was re-appointed in January 2020 for an additional 3-year term until 17 September 2022. Member of the MMA Finance, Audit & Risk Management Committee from March 2018. Member of the MMA Remuneration Committee from July 2020. Member of the Fruit and Vegetable Wholesalers Advisory Committee from August 2021. David has attended twelve out of twelve Board meetings.	David is a Senior Advisor to the global business advisory firm, FTI Consulting. David was a founding Director of Hindal Corporate which specialised in Corporate Advisory & Merger and Acquisition & Capital Raising services to the Private Company market. Hindal was acquired by Credit Suisse in 2008, where he was an Executive Director until his retirement in October 2013. David has conducted assignments in numerous industries including property, rural, retail, wholesale, manufacturing, health and retirement. David holds directorships and advisory roles with a number of privately owned Australian family businesses. He also plays an active role in the community and is involved in a number of not-for-profit boards. Prior to Hindal, David spent 27 years with Arthur Andersen (Chartered Accountants) and was an International Partner for 16 years. During this period, he provided financial consulting services to medium to large companies and was also involved in many significant merger and acquisition and divestment transactions. David led a number of corporate reconstructions through Administrations and Receiverships during this period.
Susan Friend	Commenced as a Board member on 22 February 2016 and was appointed until 31 January 2019. Her appointment was extended in April 2019 until April 2022, with an additional extension of three months until 26 August 2022. Chair of the MMA Finance, Audit & Risk Committee and Member of the Flower Advisory Committee from February 2017. Susan has attended twelve out of twelve Board meetings.	Sue is a Chartered Accountant who has a background in forensic accounting, risk assessment and business valuations. She is a Director of Sapere Research Group, an expert services firm where she provides accounting advice to legal and regulatory clients. Sue is a Director of South Gippsland Water, a member of Courts Council and independent chair of the Audit and Risk Committee of Court Services Victoria and an independent audit committee member of Municipal Association Victoria.
Dr Hermione Parsons	Commenced as a Board member on 7 September 2021 and was appointed until 7 September 2024. Member of the MMA Finance, Audit & Risk Management Committee from September 2021. Member of the Fruit and Vegetable Growers Advisory Committee from November 2021. Hermione has attended ten out of an eligible ten Board meetings.	Dr Hermione Parsons has extensive executive management experience in public and private sector organisations with responsibility for port landside logistics, multimodal freight infrastructure planning, competition and regulation policy, supply chain reengineering in the fresh produce industry, and industry government relations. Areas of research expertise include end-to-end supply chain strategy, managing supply chain complexity, and supply chain and logistics problem solving in metropolitan, regional and international markets including ASEAN. She is currently CEO of the Australian Logistics Council, non-executive director of Austrade's Export Freight Advisory Board and specialist advisor to Asia Australia Society (2022). Previously Hermione was a Board Member of Food Innovation Australia Ltd (FIAL – the Australian

		<p>Government's food and agriculture growth centre) and a member of VicTrack Board's Freight Advisory Committee. She has served on the Australian Government's National Agriculture Labour Advisory Committee, the National Freight Data Hub Steering Committee, the National Food Traceability Program Steering Committee, and the National Food Waste Strategy Steering Committee.</p> <p>She is also the pro-bono co-chair and co-founder of the Wayfinder: Supply Chain Careers for Women Initiative.</p> <p>Dr Parsons was Director and founder of the Centre for Supply Chain and Logistics at Deakin University (previously at Victoria University) and is recognised by B2Global Consulting Paris Bahrain Singapore as one of 100 Most Influential Women in Supply Chain – Global Women SC Leaders 2021.</p>
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Finance, Audit & Risk Management Committee

The main responsibilities of the Committee are to:

- review and report independently to the Board on the annual report and all other financial information published by the MMA;
- assist the Board in reviewing the effectiveness of the MMA's internal control environment covering:
 - effectiveness and efficiency of operations;
 - reliability of financial reporting; and
 - compliance with applicable laws and regulations;
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors;
- maintain effective communication with external auditors;
- consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised; and
- oversee the effective operation of the risk management framework.

Members are appointed by the Board, usually for a three-year term, and are subject to the committee's terms of reference.

Name	Independent	Term	Meetings Attended	Eligible to attend
Susan Friend (Chair)	✓	April 2019 - April 2022	4	4
David Beatty	✓	January 2020 - September 2022	4	4
Dr Hermione Parsons	✓	September 2021 – June 2022	3	3

Remuneration Committee

The main responsibilities of the Committee are to:

- ensure appropriate and prudent remuneration management in the MMA;
- set and regularly review the fixed annual remuneration level for the CEO in accordance with guidelines and approvals;
- overview the setting of remuneration levels for all senior staff upon recommendation from the CEO;
- ensure that the remuneration levels for all MMA staff are competitive, bearing in mind relative job size, market sector, organisation performance and capacity to pay;
- overview the structure and operation of any incentive plans as per Public Entity Executive Remuneration (PEER) Policy and the Victorian Independent Remuneration Tribunal (VIRT) determinations;
- agree performance targets for the CEO as they relate to incentive plans and to ensure that the MMA receives fair performance return for expenditure (current or future); and
- overview remuneration practice across the organisation and ensure appropriate controls and systems are in place.

The Committee meets at least once per year.

Special meetings may be convened if committee members consider that it is necessary and with the approval of the Committee Chairperson.

Name	Independent	Term	Meetings Attended	Eligible to attend
Peter Tuohey (Chair)	✓	January 2020 - September 2022	1	1
Jacinta Carboon	✓	January 2020 - September 2022	1	1
David Beatty	✓	July 2020 - September 2022	1	1

Marketing Committee

The main responsibilities of the Committee are to:

- Monitor industry trends and determine potential implications, threats or opportunities for the Melbourne Market and the MMA, then advise the Board appropriately.
- Identify and recommend marketing priorities for the Melbourne Market and the MMA in the context of:
 - positioning the Melbourne Market as the epicentre of the fresh produce supply chain;
 - retaining and attracting wholesale customers and associated industries to the Melbourne Market;
- support a healthy independent fresh produce (fruit, vegetable, flowers) retail sector; and
- progress the 'food hub' concept for the 51ha of expansion land.

The Committee meets at least once per year.

Special meetings may be convened if committee members consider that it is necessary and with the approval of the Committee Chairperson.

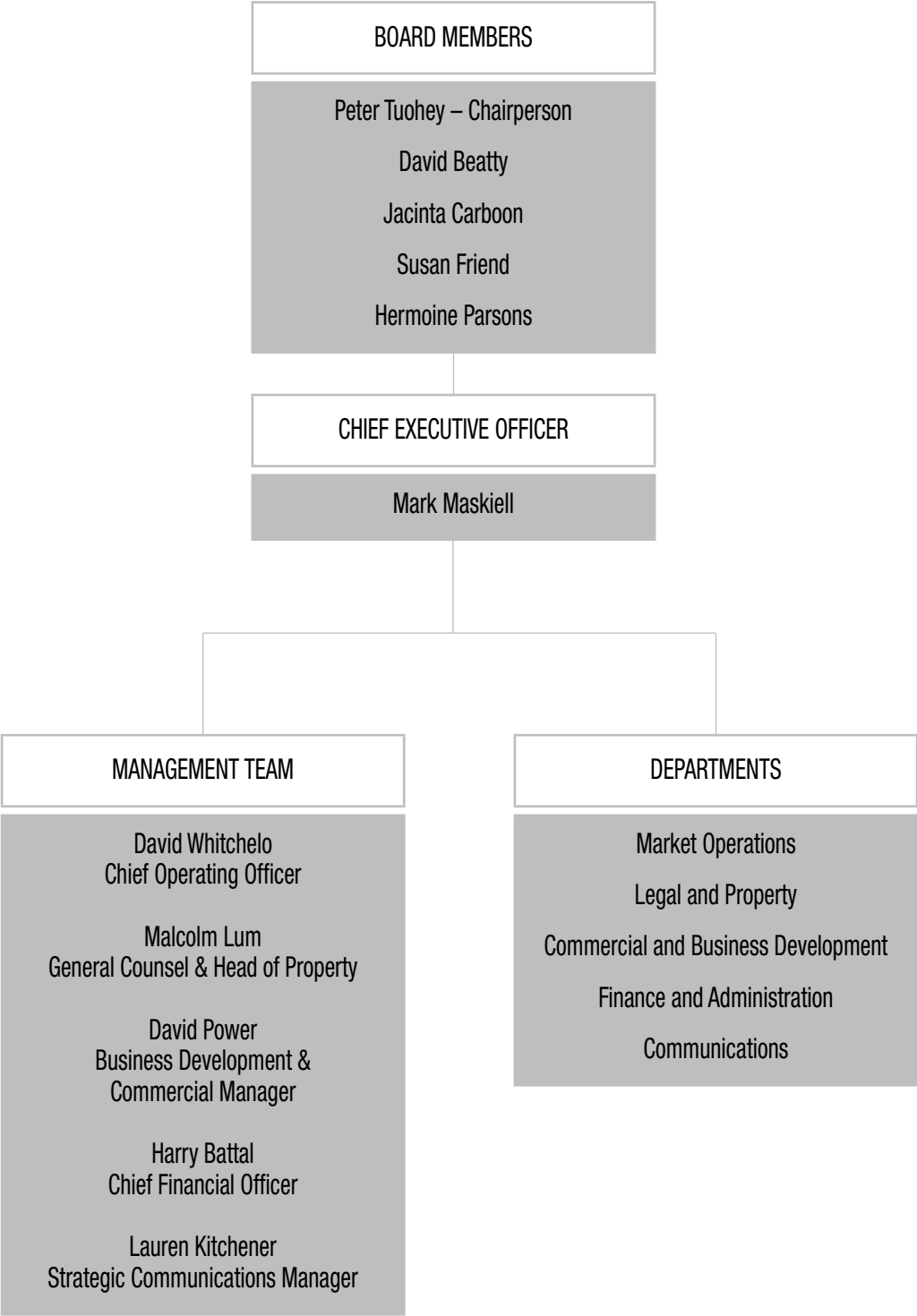
Name	Independent	Term	Meetings Attended	Eligible to attend
Jacinta Carboon (Chair)	✓	January 2020 - September 2022	2	2
Peter Tuohey	✓	January 2020 - September 2022	2	2

Audit

NTT Ltd – were contracted to provide internal audit consulting services during 2021-22.

HLB Mann Judd, as a service provider for the Victorian Auditor-General, were contracted to undertake annual financial audit services during 2021-22.

Organisational Chart



Audit Committee membership and roles

The MMA Finance, Audit & Risk Management Committee (the Committee) consisted of the following members in 2021-22:

- Susan Friend, Chairperson (independent) and
- David Beatty (independent).
- Dr Hermione Parsons (independent)

The main responsibilities of the Committee are to:

- review and report independently to the Board on the annual report and all other financial information published by the MMA;
- assist the Board in reviewing the effectiveness of the MMA's internal control environment covering:
 - effectiveness and efficiency of operations;
 - reliability of financial reporting; and
 - compliance with applicable laws and regulations;
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors;
- maintain effective communication with external auditors;
- consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised; and
- oversee the effective operation of the risk management framework.

Members are appointed by the Board, usually for a three-year term, and are subject to the committee's terms of reference.

Advisory Committees

Advisory Committees are made up of key market and industry stakeholders that work with the MMA to advise on matters relating to Market operations and the fresh produce industry.

Advisory Committees represent each key market stakeholder group; including, Fruit & Vegetable Wholesalers, Fruit & Vegetable Growers, Fruit & Vegetable Retailers and Flower Market tenant and buyers.

Flower Market Advisory Committee	Term	Meetings attended	Eligible to attend
Greg Duffy (Chair)	March 2019 – March 2022	2	2
Cheryl Roehrich	March 2019 – March 2022	0	2
Leslie Imbesi	March 2019 – March 2022	2	2
Kathleen Farrell	March 2019 – March 2022	0	2
Dianne Templeton	March 2019 – March 2022 & reappointed to March 2025	1	4
Vince Cidoni (Chair)	March 2022 – March 2025 & reappointed to March 2025	2	4
Michael Pavlou	March 2022 – March 2025	2	2
Ilayda Kaplan	March 2022 – March 2025	2	2
George Ambatzidis	March 2022 – March 2025	2	2

Fruit and Vegetable Wholesalers Advisory Committee	Term	Meetings attended	Eligible to attend
Harry Kapisiris (Chair)	March 2019 – March 2022	3	2
Brett Collins	March 2019 – March 2022 & reappointed to March 2025	3	4
Thanh Truong	March 2019 – March 2022 & reappointed to March 2025	4	4
Michael Barker	March 2019 – March 2022 & reappointed to March 2025	2	4
Jason Cooper	May 2021 – March 2022 & reappointed to March 2025	3	4
Adrian Antonello (Chair)	March 2022 – March 2025	2	2

Retailers Advisory Committee	Term	Meetings attended	Eligible to attend
Jacinta Carboon (Board Representative)	March 2019 – June 2022	4	4
Leon Mugavin (Chair)	March 2019 – March 2022	2	2
Dean Lamb (Chair)	March 2019 – March 2022 & reappointed to March 2025	3	4
Graham Gee	March 2019 – March 2022 & reappointed to March 2025	3	4
Desmond Hopwood	June 2021 – March 2022 & reappointed to March 2025	2	4
Andrew Sculli	March 2022 – March 2025	0	2
Kara Maisano	March 2022 – March 2025	2	2

Growers Advisory Committee	Term	Meetings attended	Eligible to attend
Nicholas Patsuris (Chair)	March 2019 – March 2022 & reappointed to March 2025	2	4
Joshua Sharma	March 2019 – March 2022	2	2
Anthony Pignataro	March 2019 – March 2022 & reappointed to March 2025	2	4
Vince Doria	March 2019 – March 2022 & reappointed to March 2025	3	4
Ricky Mazaris	March 2019 – March 2022 & reappointed to March 2025	3	4
Frank Attana	March 2022 – March 2025	2	2

Occupational health and safety

The MMA has identified a safe and healthy workplace as a corporate value within its Strategic Business Plan. The MMA strives to provide a safe and healthy workplace for those who work within the market and maintain OH&S standards with ongoing improvements.

MMA's Facility Manager, Plenary Asset Management, has maintained AS/NZS 4801:2001 Occupational Health and Safety Management System certification for the Epping Market site. This certification assists the MMA to establish and maintain a management system to improve the workplace health and safety of its employees as well as those who work within or visit the market.

The MMA's Workplace Health and Safety performance is also monitored and continuously improved through the implementation of MMA's ISO 9001:2015 certified Quality Management System. The MMA's Quality Management System helps ensure Workplace Health and Safety is incorporated into the overall management activities and systems.

The MMA has an Occupational Health and Safety policy in place that outlines our commitment to a safe culture and practices that provide for a healthy and safe working environment. The health and safety of all those who work for the MMA (including all employees and contractors) and that of tenants, licensees and visitors are of paramount importance to the MMA.

As part of MMA's continuous drive for a safer workplace, the Melbourne Market is a drug and alcohol-free site, and as such, random drug and alcohol testing continued for MMA staff, contractors, and visitors.

The MMA's existing health and wellbeing program continued for staff to help create a safe, supportive, and effective workplace for employees, supporting well-being and stress management through the Employee Assistance Program, management support and other initiatives.

An in-person training course "Working and living in hybrid world" was delivered to MMA staff during the reporting period.

Specific OHS training was delivered to relevant staff including, fire warden and evacuation training, first-aid training.

OHS incidents (MMA staff)

Description	2022-22	2020-21	2019-20
Number of reported hazards	0	0	0
Number of LTIs (Number of incidents resulting in lost time)	0	0	0
Serious Injury Rate (Number of LTIs resulting in greater than one week of lost time)	0	0	0
Total hours lost for the period	0	0	0
Average cost of all LTI claims in this period	0	0	0
Fatalities	0	0	0

Note: LTI –Lost time injury

Employment and conduct principles

The MMA's committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data selections.

SECTION 3: WORKFORCE DATA

Public sector values and employment principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The MMA introduced policies and practices that are consistent with the VPSC's employment standards and provide fair treatment, career opportunities and the early resolution of workplace issues. The MMA advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

Comparative workforce data

The following table discloses the headcount and full-time staff equivalent (FTE) of all active public sector employees of the MMA, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June (2022) of the previous reporting period (2021). Staffing increased by two as compared to the previous year due to maternity leave covers.

Table 1: Details of employment levels as of June 2021 and June 2022

June 2022										June 2021				
All employees					Fixed term and casual					All employees				
	Full-time		Ongoing		FTE	Full-time		Part-time		FTE	Full-time		Part-time	
	Number (headcount)	FTE	Number (headcount)	FTE		Number (headcount)	FTE	Number (headcount)	FTE		Number (headcount)	FTE	Number (headcount)	FTE
Gender														
Women	16	14.6	9	5	12.6	2	2.0	14	12.1	7	5	10.5	2	1.6
Men	10	9.8	3	-	3.0	7	6.8	10	10.0	5	-	5.0	5	5.0
Self-described	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Age														
15-24	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25-34	4	4.0	2	-	2.0	2	2.0	5	4.1	3	2	4.1	-	-
35-44	10	9.0	3	4	6.0	3	3.0	10	9.4	4	3	6.4	3	3.0
45-54	7	6.6	5	1	5.6	1	1.0	6	5.6	3	-	3.0	3	2.6
55-64	5	4.8	2	-	2.0	3	2.8	2	2.0	1	-	1.0	1	1.0
65+	-	-	-	-	-	-	-	1	1.0	1	-	1.0	-	-
VPS 1-6 grades	21	19.4	12	5	15.6	4	3.8	18	16.1	11	5	14.5	2	1.6
VPS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VPS 2	4	4.0	2	-	2.0	2	2.0	3	2.5	1	1	1.5	1	1.0
VPS 3	5	4.8	3	1	3.8	1	1.0	5	4.8	4	1	4.8	-	-
VPS 4	3	3.0	3	-	3.0	-	-	3	3.0	3	-	3.0	-	-
VPS 5	5	4.2	2	3	4.2	-	-	6	5.2	3	3	5.2	-	-
VPS 6	4	3.4	2	1	2.6	1	0.8	1	0.6	-	-	-	1	0.6
Seniore employees	5	5.0	-	-	-	5	5.0	6	6.0	1	-	1.0	5	5.0
STS	-	-	-	-	-	-	-	1	1.0	1	-	1.0	-	-
Executives	5	5.0	-	-	-	5	5.0	5	5.0	-	-	-	5	5.0
Total employees	26	24.4	12	5	15.6	9	8.9	24	22.1	12	5	15.5	7	6.6

Note: FTE – Full time equivalent, VPS – Victorian Public Sector STS – Senior Technical Specialist

The following table discloses the annualised total salary for senior employees of the MMA, categorised by classification. The salary amount is reported as the full-time annualised salary.

Table 2: Annualised total salary, by \$20 000 bands, for executives and other senior non-executive staff

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160 000						
\$160 000 - \$179 000	2					
\$180 000 - \$199 000						
\$200 000 - \$219 999						
\$220 000 - \$239 999	2					
\$240 000 - \$259 999						
\$260 000 - \$279 999						
\$280 000 - \$299 999						
Total	4	0	0	0	0	0

Note: The salaries reported above are for the full financial year, at a 1-FTE rate, and exclude superannuation.

STS – Senior Technical Specialist, PS - Principal Scientist, SMA – Senior Medical Advisor, SRA – Senior Regulatory Analyst

Executive data

For an entity, an executive officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an EO is defined as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Policy on Executive Remuneration in the Public entities applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of an EO does not include a statutory office holder or an Accountable Officer.

The following tables disclose the EOs of the MMA for 30 June 2022:

- Table 1 discloses the total number of EOs for the MMA, broken down by gender;
- Table 1 also discloses the variations, denoted by 'var', between the current and previous reporting periods
- Table 2 provides a reconciliation of executive numbers presented between the report of operations and Note 8.4 'Remuneration of executives' in the financial statements;

Table 1: Total number of EOs for the MMA, broken down into gender

Class	All		Men		Women		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
MMA	4	0	4	0	0	0	0	0
Total	4	0	4	0	0	0	0	0

The number of executives in the Report of Operations is based on the number of executive positions that are occupied at the end of the financial year. Note 8.3 in the financial statements lists the actual numbers of EOs and total remuneration paid to EOs over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the MMA during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

Table 2: Reconciliation of executive numbers

	2022	2021
Executives (Financial Statement Note 8.4)	4	4
Accountable Officer (Secretary)	1	1
Less Separations	0	0
Total executive numbers at 30 June	5	5

SECTION 4: OTHER DISCLOSURES

Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

The Melbourne Market Authority is required to apply the Local Job first policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

Projects completed – Local Jobs First Standard

During the 2021-22 reporting period one construction project required compliance with the Local Jobs First – Victorian Industry Participation Policy:

- Solar Canopy completed and achieved 81 per cent local content. Many local jobs were retained including 17 apprentices and 2 trainees. A total 41 employment opportunities were created as a direct result of this project.

Government Advertising Expenditure

The MMA's expenditure in the 2021-22 reporting period on government campaign expenditure did not exceed \$100,000.

Consultancy Expenditure

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

In 2021-22, there were 15 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2021-22 in relation to these consultancies is \$503,162 (excluding GST). Details of individual consultancies are outlined below.

(\$ dollars)						
<i>Consultant</i>	<i>Purpose of consultancy</i>	<i>Start date</i>	<i>End date</i>	<i>Total approved project fee (excl. GST)</i>	<i>Expenditure 2021-22 (excl. GST)</i>	<i>Future expenditure (excl. GST)</i>
S Ajitkumar & Others	Legal advisory services	Oct-21	May-22	148,071	148,071	Nil
RP Infrastructure	Project management services	Ongoing	Ongoing	78,725	78,725	Nil
Time2talk Leadersip	Advice on culture program	Mar-22	Ongoing	50,000	50,000	Ongoing
Russell Kennedy	Legal advisory services	Ongoing	Ongoing	37,437	37,437	Nil
Macdonald Lucas	Legal advisory services	Oct-21	Jun-22	35,424	35,424	Nil
Six Degrees Executive	Employee recruitment services	Sep-21	Nov-21	30,583	30,583	Nil
Allens	Legal advisory services	Dec-21	Jan-21	27,423	27,423	Nil
Landell ICT, Procurement and Advisory Services	Advice on internal control functions	Aug-21	Dec-21	23,140	23,140	Nil
Michael Page International	Employee recruitment services	Dec-21	Dec-21	17,160	17,160	Nil
P.A. Salem & A.S. White	Legal advisory services	Aug-21	Mar-22	15,707	15,707	Nil
Peanut Productions	Advice on Business Development	Jun-22	Jun-22	15,000	15,000	Nil
Victorian Chamber of Commerce and Industry	Advice on employee matters	Sep-21	Mar-22	13,931	13,931	Nil
Thompson Cook	Employee recruitment services	Mar-22	Mar-22	10,560	10,560	Nil

Details of consultancies under \$10,000

In 2021-22, there were 15 consultancies engaged during the year, where the total fee payable to the individual consultancies was less than \$10,000. The total expenditure during 2021-22 in relation to these consultancies was \$71,992 (excluding GST).

Information and communication technology expenditure

Details of information and communication technology(ICT) expenditure

For the 2021-22 reporting period, the MMA had a total ICT expenditure of \$1,164,885 with the details shown below.

ICT expenditure			(\$)
All operational ICT expenditure		ITC expenditure related to projects to create or enhance ICT capabilities	
Business As Usual (BAU) ICT expenditure	Non-Business As Usual (nonBAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
585,166.19	579,718.94	370,923.74	\$208,795.20

ICT expenditure refers to the MMA's costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the MMA's current ICT capabilities. BAU ICT expenditure is all the remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Disclosure of Major Contracts

A 'major contract' is a contract entered into during the reporting period valued at \$10 million or more.

The MMA did not award any major contracts during 2021-22.

Freedom of Information

The *Freedom of Information Act* 1982 allows the public a right of access to documents held by the MMA. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by the MMA. This comprises documents both created by the MMA or supplied to the MMA by an external organisation or individual, and may also include maps, photographs, computer printouts, and videotapes.

The Act allows the MMA to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: Cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to MMA in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (Fol) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

If an applicant is not satisfied by a decision made by the MMA, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

Fol requests can be lodged online at www.foi.vic.gov.au. An application fee of \$30.60 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to the MMA's Freedom of Information team, as detailed in s17 of the *Freedom of Information Act 1982*.

When making an Fol request, applicants should ensure requests are in writing, and clearly identify what types of material/ documents are being sought.

Requests for documents in the possession of the MMA should be addressed to:

MMA Privacy and FOI Manager (Att: General Counsel & Head of Property)
Melbourne Market Authority
Level 1, 55 Produce Drive
Epping VIC 3076

FoI statistics/timeliness

During 2021-2022 the Melbourne Market Authority received 1 formal FOI application. This request was from a market user group. The MMA's FOI response was within the stipulated time frames, and the time taken to finalise the request was 68 days.

Further information

Further information regarding the operation and scope of FoI can be obtained from the Act, regulations made under the Act, and foi.vic.gov.au.

Compliance with the *Building Act 1993*

The MMA owns or controls 15 government buildings located at 55 Cooper Street, Epping, and consequently is required to include a statement on its compliance with the building and maintenance provisions of the *Building Act 1993* in relation to that building.

The MMA complied with the *Building Act 1993*, the Building Regulations 2006 and associated statutory requirements and amendments during the reporting period. When required, a Certificate of Final Inspection, endorsed by a Registered Building Surveyor Practitioner, is obtained for new facilities or upgrades to existing facilities. These works are either undertaken directly by the MMA or Plenary Asset Management (PAM) as an agent of the MMA or as works to tenancies undertaken by the Tenants themselves.

The MMA requires that appropriately qualified and accredited professional service providers and contractors are engaged for all proposed works on land controlled by the MMA and that their work and services comply with current building standards. The MMA has established guidelines and authorisation protocols in place to ensure all work is monitored. Service Providers and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*, Building Regulations 2018 and the National Construction Code.

In relation to existing buildings, MMA's Asset Maintenance Unit is responsible for mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and monthly and annual fire service audits. These inspections then inform the works program which is delivered annually through existing maintenance contracts.

In 2020-22:

Number of major works projects undertaken (>\$50 000)	2 - MMA works
Number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned	2 - MMA works - Building Permits 6 - Tenant works - Building Permits 0 - Certificate of Occupancy 3 - MMA works - Certificates of Final Inspection 9 - Tenant works - Certificates of Final Inspection
Number of emergency orders and building orders issued in relation to buildings	0 - emergency orders 0 - building orders
Number of buildings that have been brought into conformity with building standards during the year	1 - buildings brought into conformity

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair completion between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The MMA continues to comply with the requirements of the Competitive Neutrality Policy against the enhanced principles as required under the Competition Principals Agreement and Competition Infrastructure Reform Agreement.

Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The PD Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

A public interest disclosure is a complaint of corrupt or improper conduct by a public officer or a public body. The MMA is a "public body" for the purposes of the PD Act and the MMA's Board members and staff are "public officers" under the Act.

Improper or corrupt conduct involves substantial:

- mismanagement of public resources; or
- risk to public health and safety or the environment; or
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

A person can make a protected disclosure about the MMA or its Board members, officers or employees by contacting IBAC on the contact details provided below.

Please note that MMA is not able to receive protected disclosures as it is not a “public service body” as defined by the *Public Administration Act 2004*.

The MMA has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about the MMA, its board members, officers or employees. You can access the MMA's procedures on its website at: www.melbournemarket.com.au/the-mma

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne, VIC 3001, Phone: 1300 735 135

Mail: IBAC, GPO Box 24234, Melbourne, VIC 3001, Internet: www.ibac.vic.gov.au

Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures

Office Based Environmental Impacts

The MMA's environmental focus can be divided into two distinct areas.

1. Maintain, and improve on, existing initiatives to reduce the environmental impact in the areas of energy, paper consumption, waste generation, water consumption and green procurement.
2. Investigate new and emerging technology that can be implemented to reduce emissions as part of the Whole of Government Pledge under the *Climate Change Act 2017*, and in line with the statewide transition to net zero emissions by 2050.

Energy use

Energy consumption on site increased by 3.1 percent for the reporting period. This increase can be attributed to several factors:

- Multiple construction projects were undertaken, including the solar car park canopy build and converting tenancy 105 from a café to a store.
- Fit outs of 28 refrigerated small format warehouses were completed in warehouse 7, many which contain food preparation equipment and machinery resulting in additional energy consumption.

Indicator	2020-21			2019-20		
	Electricity	Natural Gas	Total	Electricity	Natural Gas	Total
Total energy usage segmented by primary source (MJ)	31,037,166	1,899,507		29,125,943	1,946,268	29,413,650
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO ₂ e)	13,633	100	13,733	13,226	102	12,998

Actions undertaken

- The construction of the solar car park canopy was completed during the reporting period, which will house a 1.95MW Solar PV System to meet a proportion of the site's energy demands.
- Grid connection study complete in anticipation to make solar canopy connection to the zone sub station.
- The MMA undertook further investigations on additional renewable energy use on-site, including the use of Hydrogen.

Targets

- Complete a business case for the use of a hydrogen pipeline attached to a 1 MW fuel cell.
- Work with external stakeholders and electrical service provider to connect Market's existing large scale Solar PV System's, supplying 4.9 megawatt of renewable energy for use on-site.

Waste and recycling

The waste generated by processes within the Melbourne Market is divided into three general classes, landfill, organics, and recycling. Provided Market users separate their waste into the recycling streams of cardboard, plastic, polystyrene, wood, and organics; it can be disposed of free of charge.

With existing initiatives in place, the market exceeded its target and achieved a recycling rate of 98 per cent, the highest recycling rate of any wholesale market in the world.

Promotion and education and the waste disposal system that is financially incentivised were the primary drivers for maintaining landfill deposit and recycled waste rates during the reporting period.

The partnership with the Yarra Valley Waste to Energy facility maintained the reduction in landfill deposits with the Melbourne Market delivering 1,550,900 kilograms of organic waste to the facility for the year ending June 2022. A further 329,910 kilograms of organic produce was distributed to Food Bank Victoria, 83,540 kilograms to Fareshare and 183,180 kilograms to farm collections and the Melbourne Zoo as part of our food recovery programs.

Total volume of waste increased by 800,040 kilograms for the reporting period. A contributing factor for increase in waste was transport delays as a result of the COVID-19 pandemic and worker shortages. Delays resulted in produce arriving at the Melbourne Market with a shorter shelf-life and therefore faster spoilage.

<i>Indicator</i>	<i>2021-22</i>				<i>2020-21</i>			
	<i>Landfill</i>	<i>Commingled recycling</i>	<i>Compost</i>	<i>Total</i>	<i>Landfill</i>	<i>Commingled recycling</i>	<i>Compost</i>	<i>Total</i>
Total units of waste disposed (kg/yr)	90,940	2,811,330	1,550,900	4,453,170	53,480	2,560,110	1,039,540	3,653,130
Recycling rate (percentage of total waste)	2.0%	63.1%	34.8%	98.0%	1.5%	70%	28.5%	98.5%
Greenhouse gas emissions associated with waste disposal (t CO ₂ -e)				82				48

Actions undertaken

Increased promotion of food recovery programs resulted in a 19.3% increase in donations including Foodbank Victoria, Fareshare, the Melbourne Zoo and farm collections.

Targets

- Subsidise the cost of biodegradable food and drink containers for use in market cafes.
- Maintain or improve 98 per cent recycling rate.

Paper use

The continued implementation of the MMA's digital strategy, including the customer portal, has resulted in decreased printed correspondence being sent to Market users.

<i>Indicator</i>	<i>2021-22</i>	<i>2020-21</i>
Total units of copy paper used (reams)	230	300
Units of copy paper used per FTE (reams/FTE)	10.16	13.5
Percentage of 50-74% recycled content copy paper purchased	100%	100%

Actions undertaken

Financial statements and invoices distributed digitally via the customer portal, resulting in less printed correspondence being distributed.

Targets

- Promotion of MMA's customer portal to increase sign ups, which will further shift behaviour to online instead of paper-based forms.

Water consumption

The water consumption during the reporting period has increased by 34.7 per cent compared to the previous reporting period.

The key reason for the significant increase was a water leak in warehousing that went unreported for eight months. Another contributing factor in the increase in water usage was the construction of the solar canopy.

Indicator	2021-22	2020-21
Total units of metered water consumed by usage types (kilolitres)	46,744,000	34,694,000
Units of measured water consumed in offices per FTE (kilolitres/FTE)	n/a	n/a

Actions undertaken

- Harvested rainwater was redirected to the central cooling plant water towers, saving approximately 10 million litres of potable water.

Travel and transport

The MMA does not have fleet vehicles.

The COVID-19 pandemic has restricted international air travel and significantly reduced domestic air travel.

Indicator	2021-22	2020-21
Total distance travelled by aeroplane	11,689	23,917

Greenhouse gas emissions

The emissions disclosed in the section below are taken from the previous areas and brought together to show the MMA's greenhouse footprint.

Indicator	2021-22	2020-21
Total greenhouse gas emissions associated with energy use (t CO ₂ e)	13,734	13,323
Total greenhouse gas emissions associated with vehicle fleet (t CO ₂ e)	-	-
Total greenhouse gas emissions associated with air travel (t CO ₂ e)	3.09	6.24
Total greenhouse gas emissions associated with waste production (t CO ₂ e)	82	48

Actions undertaken

The Melbourne Market Authority is participating in actions to reduce emissions from its operations as part of the Whole of Government Pledge under the *Climate Change Act 2017*, and in line with the statewide transition to net zero emissions by 2050.

Targets

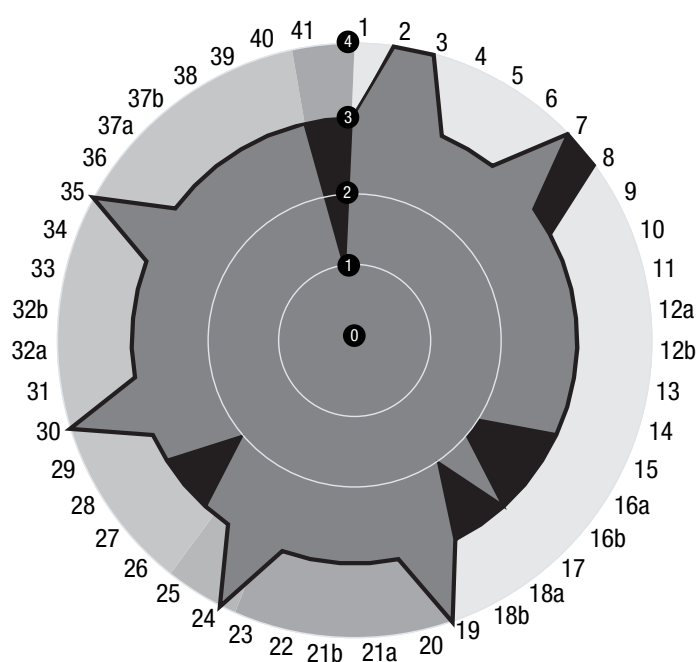
The following targets have been set for 2021-22:

- Implement the use of additional renewable power sources.
- Discontinue use of diesel backup generators.

Asset Management Accountability Framework (AMAF) maturity assessment

The following sections summarise the MMA's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

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



Description	2021-22	2020-21
MMA Target Maturity	152	149
MMA Overall Assessment	148	142

Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Leadership and Accountability (requirements 1-19)

The MMA is behind its target maturity level within this category.

A plan for improvement is in place to improve the MMA's maturity rating where targets not achieved.

Planning (requirements 20-23)

The MMA has met its target maturity level under mandatory requirements within this category.

Acquisition (requirements 24 and 25)

The MMA has met its target maturity level under mandatory requirements within this category.

Operation (requirements 26-40)

The MMA is behind its target maturity level within this category.

A plan for improvement is in place to improve the MMA's maturity rating where targets not achieved.

Disposal (requirement 41)

The MMA has met its target maturity level under mandatory requirements within this category.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the MMA and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- c) details of publications produced by the entity about itself, and how these can be obtained;
- d) details of changes in prices, fees, charges, rates and levies charged by the entity;
- e) details of any major external reviews carried out on the entity;
- f) details of major research and development activities undertaken by the entity;
- g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees;
- j) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- k) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- l) details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement.

The information is available on request from:

General Counsel & Head of Property
Melbourne Market Authority
(03) 9258 6100
info@melbournemarket.com.au

Additional information included in annual report

Details in respect of the following items have been included in the MMA's annual report, on the pages indicated below:

- (a) a list of the MMA's major committees and the purposes of each committee on page 18; and
- (b) Details of all consultancies and contractors including consultant/contractors engaged; services provided; and expenditure committed for each engagement on page 27.

MELBOURNE MARKET AUTHORITY

Melbourne Market Authority Financial Management Compliance Attestation Statement

I Mark Maskiell, certify that the Melbourne Market Authority (MMA) has no Material Compliance Deficiency with respect to the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* and Instructions.



Chief Executive Officer
Melbourne Market Authority
28 September 2022

Compliance with DataVic Access Policy

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

MELBOURNE MARKET AUTHORITY

DISCLOSURE INDEX

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

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FINANCIAL STATEMENTS

How this report is structured

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

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DECLARATION IN THE FINANCIAL STATEMENTS

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and financial position of the MMA at 30 June 2022.

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

We authorise the attached financial statements for issue on 28 September 2022.



H Battal
Chief Financial Officer

Melbourne
28 September 2022



M Maskiell
Chief Executive Officer

Melbourne
28 September 2022



P Tuohey
Chairperson

Melbourne
28 September 2022

Independent Auditor's Report

To the Members of the Melbourne Market Authority

Opinion	<p>I have audited the financial report of the Melbourne Market Authority (the authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2022• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Members' responsibilities for the financial report	<p>The Members of the authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Members are responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members • conclude on the appropriateness of the Members's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
28 September 2022



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE MARKET AUTHORITY

Comprehensive operating statement^(a)

For the financial year ended 30 June 2022

(\$ thousand)

	Notes	2022	2021
Continuing operations			
Revenue and income from transactions			
Interest	2.2.1	42	23
Sale of goods and services	2.2.2	5,945	5,837
Rental income	2.2.3	23,017	22,209
Total revenue and income from transactions		29,004	28,069
Expenses from transactions			
Employee expenses	3.1.1	(3,760)	(3,609)
Depreciation and amortisation	4.1.1	(13,861)	(13,608)
Interest expense	6.1	(1,053)	(1,035)
Other operating expenses	3.2	(20,880)	(19,958)
Total expenses from transactions		(39,554)	(38,210)
Net result from transactions (net operating balance)		(10,550)	(10,141)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ^(b)		1	-
Other gains/(losses) from other economic flows		(7)	(4)
Total other economic flows included in net result		(6)	(4)
Net result		(10,556)	(10,145)
Other economic flows - other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.2	-	(10,387)
Total other economic flows - other comprehensive income		-	(10,387)
Comprehensive result		(10,556)	(20,532)

The accompanying notes form part of these financial statements.

Notes:

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting

(b) Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

MELBOURNE MARKET AUTHORITY

Balance sheet ^(a)

As at 30 June 2022

(\$ thousand)

	Notes	2022	2021
Assets			
Financial assets			
Cash and deposits	6.2	21,833	23,730
Receivables	5.1	1,645	2,966
Total financial assets		23,478	26,696
Non-financial assets			
Property, plant & equipment	4.1	456,266	459,989
Intangible assets	4.2	44	61
Prepayments		718	349
Total non-financial assets		457,028	460,399
Total assets		480,506	487,095
Liabilities			
Payables	5.2	8,799	10,189
Borrowings	6.1	24,171	19,000
Employee related provisions	3.1.2	739	553
Total liabilities		33,709	29,742
Net assets		446,797	457,353
Equity			
Accumulated surplus		107,047	117,603
Physical asset revaluation surplus	8.2	125,943	125,943
Contributed capital		213,807	213,807
Net worth		446,797	457,353

The accompanying notes form part of these financial statements.

Notes

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting

MELBOURNE MARKET AUTHORITY

Cash flow statement ^(a)

For the financial year ended 30 June 2022

(\$ thousand)

	Notes	2022	2021
Cash flows from operating activities			
Receipts			
Receipts from customers		29,984	28,983
Goods and Services Tax received from the ATO ^(b)		536	-
Interest received		29	25
Other receipts		285	320
Total receipts		30,834	29,328
Payments			
Payments to suppliers and employees		(26,729)	(19,969)
Goods and Services Tax paid to the ATO ^(b)		-	(173)
Interest and other costs of finance paid		(1,053)	(1,035)
Total payments		(27,782)	(21,177)
Net cash flows from/(used in) operating activities	6.2.1	3,052	8,151
Cash flows from investing activities			
Purchases of non-financial assets		(10,123)	(4,276)
Proceeds from disposals of non-financial assets		3	-
Net cash flows from/(used in) investing activities		(10,120)	(4,276)
Cash flows from financing activities			
Proceeds from borrowings		6,563	-
Repayment of borrowings		(1,392)	(1,000)
Net cash flows from/(used in) financing activities		5,171	(1,000)
Net increase in cash and cash equivalents		(1,897)	2,875
Cash at the beginning of the financial year		23,730	20,855
Cash and cash equivalents at the end of the financial year	6.2	21,833	23,730

The accompanying notes form part of these financial statements.

Notes:

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting

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

MELBOURNE MARKET AUTHORITY

Statement of changes in equity ^(a)

For the financial year ended 30 June 2022

(\$ thousand)

	Notes	Physical asset revaluation surplus	Accumulated surplus	Contributed capital	Total
Balance at 1 July 2020		136,330	127,748	213,807	477,885
Balance at 1 July 2020		136,330	127,748	213,807	477,885
Net result for the year		-	(10,145)	-	(10,145)
Other Comprehensive income		(10,387)	-	-	(10,387)
Balance at 30 June 2021		125,943	117,603	213,807	457,353
Balance at 1 July 2021		125,943	117,603	213,807	457,353
Net result for the year		-	(10,556)	-	(10,556)
Other Comprehensive income		-	-	-	-
Balance at 30 June 2022		125,943	107,047	213,807	446,797

The accompanying notes form part of these financial statements.

Note:

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting

(2021) An independent valuation was performed by Valuer-General Victoria (VGV) to determine fair value as at 30 June 2021, and resulted in a revaluation decrement of \$10.4 million.

MELBOURNE MARKET AUTHORITY

1. ABOUT THIS REPORT

The Melbourne Market Authority (MMA) is a government entity of the State of Victoria, established under the *Melbourne Market Authority Act (1977)*.

Its principal address is:
Melbourne Market Authority
1/55 Produce Drive
Epping VIC 3076

MMA operates a wholesale fruit, vegetable and flower market based in Epping, VIC. It works to ensure efficient trade and distribution of fresh produce.

Basis of preparation

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

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

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover MMA as an individual reporting entity and include all the controlled activities of MMA.

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

Compliance information

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

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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.

MELBOURNE MARKET AUTHORITY

Impact of COVID-19 pandemic

The events relating to COVID-19 have had a material adverse impact on both the operations and financial performance of the MMA during the current and prior period. These impacts have included the government imposed trading restrictions on some of our tenants resulting in arrears, the enactment of legislation implementing the National Cabinet Mandatory Code of Conduct ("Code of Conduct") for small and medium size enterprise tenants, the Commercial Tenancy Relief Scheme available to Victorian businesses, and an increase in expenses particularly surrounding extra cleaning and security related to temperature screening measures at the front gate.

As these COVID-19 related impacts are ongoing, there is continued uncertainty in relation to the future financial performance of the MMA. MMA's going concern assessment identified that there were no going concern issues. As such, the financial statements have been prepared on a going concern basis.

The implications of the above on the Financial Statements falls broadly into two areas:

Recording and collecting of rental income

On 28th of July 2021, the Victorian Government announced the Commercial Tenancy Relief Scheme to be enacted that will apply retrospectively from 28th of July 2021. The scheme aimed to support small to medium commercial tenants with an annual turnover under \$10 million and a demonstrated decline in turnover of at least 30 per cent due to the impact of COVID-19 pandemic. Businesses that have been indirectly impacted by the COVID-19 pandemic, for example by lower demand or fewer customers, are also eligible, even if their operations were not closed due to restrictions. There have been changes to eligibility requirements from the previous regulations that ended on the 15th of January 2022. The previous scheme supported small to medium commercial tenants with an annual turnover under \$50 million and a demonstrated decline in turnover of at least 30 per cent due to the impact of COVID-19 pandemic. Permanent rent waivers granted for the current period total \$0.1million.

Land and buildings fair value

In compliance with FRD 103I, in the year ended 30 June 2021, an independent valuation was performed by PricewaterhouseCoopers on behalf of the Valuer-General Victoria to determine fair value using the market approach for land and a depreciated replacement cost for buildings. The valuer had advised that the market environment in FY2021 had been impacted by the COVID-19 outbreak. Market conditions were changing daily. As at the date of valuation, the valuer considered that there was significant valuation uncertainty that cannot be quantified. The uncertainty did not invalidate nor imply the valuation cannot be relied upon. Future changes to the economic environment may require variations to assumptions which could have a material impact of the valuation outcome.

Rounding of amounts

The rounding used in the presentation of amounts in this model financial statements must be prominently displayed. Amounts in the financial statements have been rounded to the nearest \$1 000, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Refer to Note 8.11 for a style convention guide and explanation of minor discrepancies resulting from rounding.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

MMA's overall objective is to provide a commercially viable wholesale facility for the efficient distribution of fresh produce, optimise return on land and assets and ensure a fair and competitive environment for the wholesale trading of produce.

To enable MMA to fulfil its objective, it receives rental income. It also receives fees based on site usage including parking, LPG sales and other investment income.

Structure

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Revenue and income from transactions

2.1 SUMMARY OF REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

		(\$ thousand)	
	Notes	2022	2021
Interest income	2.2.1	42	23
Sale of goods and services	2.2.2	5,945	5,837
Rental income	2.2.3	23,017	22,209
Total revenue and income from transactions		29,004	28,069

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

2.2 REVENUE AND INCOME FROM TRANSACTIONS

2.2.1 INTEREST INCOME

	(\$ thousand)	
	2022	2021
Interest from financial assets not at fair value through profit and loss		
Interest on bank deposits	34	19
Interest income from third party	8	4
Total interest from financial assets not at fair value through profit and loss	42	23

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

Interest income from a third party relates to a loan receivable at a fixed rate of 2.75 percent over 5 years.

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2.2.2 SALE OF GOODS AND SERVICES

	(\$ thousand)	
	2022	2021
Sale of goods	1,858	1,605
Rendering of services	678	798
Parking income	3,409	3,434
Total income from sales of goods and services	5,945	5,837

The sale of goods along with rendering of services included in the table above are transactions that the MMA has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Performance of obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The MMA recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have accepted at their premises.
- Revenue from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises.
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time for parking income when the customer simultaneously receives and consumes the services as it is provided.

Customers are invoiced and revenue is recognised when the goods are delivered and accepted by customers.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract payable (Note 5.2).

MELBOURNE MARKET AUTHORITY

	(\$ thousand)	
	2022	2021
Rental income		
Fruit and vegetable trading stands	3,237	3,132
Wholesale stores and warehouses	11,841	11,068
Flower trading stands	1,680	1,497
Other commercial rents	6,259	6,512
Total rental income	23,017	22,209

Rental income from trading stands, wholesale stores and warehouses and other, commercial rents is recognised as it accrues over the period that the properties are leased to a third party.

Rental income from operating leases are recognised on a straight-line basis of the term of the relevant lease.

Operating leases relate to operating property owned by MMA with lease terms of between one to fifteen years, with an option to renew for a further term. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that the MMA retains in underlying assets are not considered to be significant, the MMA employs strategies to further minimise these risks. For example, the MMA operating rules requiring the lessee to compensate the MMA when a property has been subject to excess wear and tear during the lease term.

In the event lease incentives are given to the lessee or right to lease upfront payments are received from the lessee, the aggregate cost of incentives is recognised as a reduction of rental income and the right to lease upfront payment is recognised as revenue over the lease term, on a straight line basis unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

Leases as a Lessor

As a lessor, the MMA classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

	(\$ thousand)	
	2022	2021
Non-cancellable operating lease receivables		
Not longer than one year	13,420	10,885
Longer than one year but not longer than five years	27,468	32,047
Longer than five years	923	1,182
Total	41,811	44,114

Leases have lease terms of 1, 3, 5, and 15 years.

MELBOURNE MARKET AUTHORITY

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by MMA in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

- 3.1 Expenses incurred in delivery of service
- 3.2 Other operating expenses

3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

(\$ thousand)			
	Notes	2022	2021
Employee benefit expenses	3.1.1	3,760	3,511
Termination benefits	3.1.1	-	98
Other operating expenses	3.2	20,880	19,958
Total expenses incurred in delivery of services		24,640	23,567

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

3.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

(\$ thousand)		
	2022	2021
Defined contribution superannuation expense	297	270
Salaries and wages, annual leave and long service leave	3,463	3,241
Termination benefits	-	98
Total employee expenses	3,760	3,609

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

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The MMA does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employments. Termination of benefits are recognised when the MMA is demonstrably committed to terminating the employments of current employees according to a detailed formal plan without possibility of withdrawal.

MELBOURNE MARKET AUTHORITY

3.1.2 EMPLOYEE BENEFITS IN THE BALANCE SHEET

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

	(\$ thousand)	
	2022	2021
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	193	176
Unconditional and expected to settle after 12 months	152	85
Long service leave		
Unconditional and expected to settle within 12 months	62	65
Unconditional and expected to settle after 12 months	141	78
Provisions for on-costs		
Unconditional and expected to settle within 12 months	40	37
Unconditional and expected to settle after 12 months	45	25
Total current provisions for employee benefits	633	466
Non-current provisions:		
Employee benefits	91	75
On-costs	15	12
Total non-current provisions for employee benefits	106	87
Total provisions for employee benefits	739	553

Reconciliation of movement in on-cost provision

	(\$ thousand)
	2022
Opening balance	74
Additional provisions recognised	58
Reductions arising from payment/other sacrifices of future economic benefits	(32)
Closing balance	100
Current	85
Non-current	15

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

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

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

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

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

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

The components of this current LSL liability are measured at:

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

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

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

3.1.3 SUPERANNUATION CONTRIBUTIONS

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

	(\$ thousand)			
	Paid contribution for the year		Contribution outstanding at year end	
	2022	2021	2022	2021
Defined contribution plans				
Vision Super (Default fund)	-	-	-	-
Other	297	270	-	-
Total	297	270	-	-

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3.2 OTHER OPERATING EXPENSES

	(\$ thousand)	
	2022	2021
Supplies and services		
Market operations	4,909	5,230
Repairs and maintenance	2,820	2,288
Fuels, rates and taxes	5,832	5,699
Marketing and media	512	564
Audit and insurance	825	634
Professional services	4,055	3,651
Other	2,020	1,778
Bad and doubtful debts from transactions	(101)	111
Ex-gratia expense	8	3
Total other operating expenses	20,880	19,958

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

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

Ex-gratia payments were made for the reimbursement of office costs to members of the MMA's advisory committees.

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4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

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

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

- 4.1 Total property, plant and equipment
- 4.2 Intangible assets

4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT^(a)

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2022	2021	2022	2021	2022	2021
Land at fair value	50,700	50,700	-	-	50,700	50,700
Buildings at fair value	414,267	405,400	13,576	-	400,691	405,400
Capital works in progress	4,365	3,331	-	-	4,365	3,331
Plant, equipment and vehicles at fair value						
- Market equipment	749	746	685	656	64	90
- Motor vehicles	392	440	243	248	149	192
- Computer equipment	1,172	1,072	899	828	273	244
- Office plant and equipment	102	102	78	70	24	32
Net carrying amount	471,747	461,791	15,481	1,802	456,266	459,989

Note:

(a) Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classification. All assets in a purpose group are further sub-categorised according to the asset's 'nature' (e.g. buildings, plant), with each sub-category being classified as a separate class of asset for financial reporting purposes.

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Subsequent measurement: Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the next page by asset category.

In FY2021, an independent valuation of the MMA's land and building was performed by PricewaterhouseCoopers on behalf of the Valuer-General Victoria. An external revaluation process is required every 5 years, based upon the asset's Government Purpose Classification, but may occur more frequently if material movements in fair value are identified.

Valuation of the assets was determined by analysing comparable sales and allowing for size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation was 30 June 2021.

The valuer had advised that the then market environment that the asset was being valued in, was impacted by the uncertainty that the COVID-19 outbreak had caused. Market conditions were changing daily at the time of valuation and had been considered in the valuation performance. At the date of valuation, we considered that there was a market uncertainty resulting in significant valuation uncertainty. The uncertainty cannot and was not quantified. The uncertainty did not invalidate nor imply the valuation cannot be relied upon. In FY2022, a management fair value assessment was performed for land and buildings based on movement advised in VGV indices and the decision was made that the movements were not material (less than or equal to 10 per cent) to warrant revaluation or independent valuation as at 30 June 2022.

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

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

For the majority of the MMA's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Vehicles are valued using the current replacement cost method. MMA acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed in-house by the MMA who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

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4.1.1 DEPRECIATION AND AMORTISATION

Charge for the period		(\$ thousand)	
	Notes	2022	2021
Buildings		13,576	13,301
Market equipment		29	58
Motor Vehicles		43	40
Computer equipment		169	176
Office plant and equipment		8	13
Computer software	4.2	36	20
Total depreciation and amortisation		13,861	13,608

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight-line basis, at rates that allocated the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	(years) Useful Life
Buildings - shell structures	50 years
Buildings - fitout	25 years
Computer equipment	3 years
Motor vehicles	6 years
Market equipment	6 years
Office plant and equipment	6 years

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

Indefinite life asset: Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because the service potential has not, in any material sense, been consumed during the reporting period.

4.1.2 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT^(a)

	(\$ thousands)														
	Land at fair value		Buildings		Market Equip.		Motor Vehicles		Computer Equip.		Office Plant & Equip.		Works In Progress		Total
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2021
Opening balance	50,700	71,500	405,400	407,228	90	120	192	232	244	226	32	31	3,331	401	479,738
Additions	-	-	8,867	1,060	3	28	-	-	199	194	-	14	1,034	2,930	4,226
Disposals	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-	-
Revaluation of PPE	-	(20,800)	-	10,413	-	-	-	-	-	-	-	-	-	-	(10,387)
Depreciation	-	-	(13,576)	(13,301)	(29)	(58)	(43)	(40)	(169)	(176)	(8)	(13)	-	-	(13,588)
Closing balance	50,700	50,700	400,691	405,400	64	90	149	192	273	244	24	32	4,365	3,331	459,989

Note:

Fair value assessments have been performed for all classes of assets in this purpose group.

In 2022, a management fair value assessment was performed. Fair value assessments for Land and Buildings are determined using separate annual indices for Land and Buildings supplied by Valuer-General Victoria. All other asset classes were reviewed and the decision was made that movements were not material (less than or equal to 10 per cent) to warrant revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2026.

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4.2 INTANGIBLE ASSETS

	(\$ thousand)	
	Computer software	
	2022	2021
Gross carrying amount		
Opening balance	937	887
Additions	19	50
Disposals	(533)	-
Closing balance	423	937
Accumulated depreciation, amortisation and impairment		
Opening balance	(876)	(856)
Amortisation expense	(36)	(20)
Disposal	533	-
Closing balance	(379)	(876)
Net book value at end of financial year	44	61

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight line basis over their useful lives. Produced intangible assets have useful lives of between three and five years.

Impairment of intangible assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Impairment of intangible assets

The policy in connection with testing for impairment is outlined in section 4.1

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5. OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

5.1	Receivables
5.2	Payables

5.1 RECEIVABLES

	(\$ thousand)	
	2022	2021
Contractual		
Rental revenue	1,403	2,893
Allowance for impairment losses of contractual receivables	(74)	(339)
Loan to third party	302	304
Accrued investment income	14	1
Statutory		
Amount owing from Victorian Government	-	56
GST input tax credit recoverable	-	51
Total receivables	1,645	2,966
<i>Represented by</i>		
Current receivables	1,430	2,668
Non-current receivables	215	298

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The MMA holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequent measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The MMA applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent money owing from site services provided in the ordinary course of business.

Details about the MMA's impairment policies, the MMA's exposure risk and the calculation of the loss allowance are set out in note 7.1.3

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5.2 PAYABLES

(\$ thousand)

	2022	2021
Contractual		
Supplies and services	2,343	4,294
Interest payable	173	171
Tenant bonds and retention monies	2,740	2,351
Rentals in advance	3,306	3,282
Statutory		
FBT payable	24	12
GST payable	141	-
Other taxes payable	72	79
Total payables	8,799	10,189
<i>Represented by:</i>		
Current payables	6,059	7,505
Non-current payables	2,740	2,684

Payables consist of:

- **contractual payables**, Classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the MMA prior to the end of the financial year that are unpaid; and
- **statutory payables**, Recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services had an average credit period of 30 days.

Maturity analysis of contractual payables ^(a)

(\$ thousand)

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months 1 year	1 - 5 years
2022						
Supplies and services	2,343	2,343	2,343	-	-	-
Tenant bonds and retention monies	2,740	2,740	-	-	-	2,740
Other payables	173	173	-	173	-	-
Total	5,256	5,256	2,343	173	-	2,740
2021						
Supplies and services	4,294	4,294	4,294	-	-	-
Tenant bonds and retention monies	2,351	2,351	-	-	-	2,351
Other payables	171	171	-	171	-	-
Total	6,816	6,816	4,294	171	-	2,351

Note:

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

6. HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by MMA during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of MMA.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

- 6.1 Borrowings
- 6.2 Cash flow information and balances
- 6.3 Financing facilities
- 6.4 Commitments for expenditure

6.1 BORROWINGS

	(\$ thousand)	
	2022	2021
Current borrowings		
Loans from TCV ^{(a)(b)}	1,792	1,000
Total current borrowings	1,792	1,000
Non-current borrowings		
Loans from TCV ^{(a)(b)}	22,379	18,000
Total non-current borrowings	22,379	18,000
Total borrowings	24,171	19,000

Notes

(a) These are unsecured loans with a weighted average interest rate of 3.50 per cent (2021: 4.26 per cent).

(b) Note that the TCV loans are for illustration only. Preparers must review the terms of the loan to determine whether they shall be classified as current or non-current loans.

'Borrowings' refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria (TCV).

Borrowings are classified as financial instruments. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the MMA has categorised its interest bearing liabilities as either 'financial liabilities designated at fair value through net result', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest bearing liabilities. The MMA determines the classification of its interest bearing liabilities at initial recognition.

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

Maturity analysis of borrowings

	(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1-3 months	3 months - 1 year	1 - 5 years	5+ years
2022							
Loans from TCV	24,171	24,171	-	895	897	7,261	15,118
Total	24,171	24,171	-	895	897	7,261	15,118
2021							
Loans from TCV	19,000	19,000	-	500	500	4,000	14,000
Total	19,000	19,000	-	500	500	4,000	14,000

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6.1 BORROWINGS (CONTINUED)

Interest expense	(\$ thousand)	
	2022	2021
Interest on government loans	850	827
Accommodation Levy	203	208
Total interest expense	1,053	1,035

'Interest expense' includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings and accommodation levy.

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

The MMA recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

6.2 CASH FLOW INFORMATION AND BALANCES

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

	(\$ thousand)	
	2022	2021
Total cash and deposits disclosed in the balance sheet	21,833	4,730
Total 11am TCV Deposit	-	19,000
Balance as per cash flow statement	21,833	23,730

6.2.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	(\$ thousand)	
	2022	2021
Net result for the period	(10,556)	(10,145)
Non-cash movements		
(Gain)/Loss on sale or disposal of non-current assets	(1)	-
Depreciation and amortisation of non-current assets	13,861	13,608
Movements in assets and liabilities		
(Increase)/decrease in receivables	1,321	(255)
(Increase)/decrease in prepayments	(369)	(23)
(Decrease)/increase in provisions	186	105
(Decrease)/increase in payables	(1,390)	4,861
Net cash flows from operating activities	3,052	8,151

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6.3 FINANCING FACILITIES

	(\$ thousand)	
	2022	2021
Unsecured loan facilities with various maturity dates through to 2040		
Amount used	24,171	19,000
Amount unused	7,000	13,563
Total	31,171	32,563

6.4 COMMITMENTS FOR EXPENDITURE

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

6.4.1 TOTAL COMMITMENTS PAYABLE

	(\$ thousand)			
<i>Nominal amounts 2022</i>	<i>Less than 1 year</i>	<i>1-5 years</i>	<i>5+ years</i>	<i>Total</i>
Operational expenditure commitments payable	5,609	4,588	-	10,197
Capital expenditure commitments payable	-	-	-	-
Total commitments (inclusive of GST)	5,609	4,588	-	10,197
Less GST recoverable	(509)	(405)	-	(914)
Total commitments (exclusive of GST)	5,100	4,184	-	9,283

<i>Nominal amounts 2021</i>	<i>Less than 1 year</i>	<i>1-5 years</i>	<i>5+ years</i>	<i>Total</i>
Operational expenditure commitments payable	4,409	6,765	-	11,174
Capital expenditure commitments payable	8,852	-	-	8,852
Total commitments (inclusive of GST)	13,261	6,765	-	20,026
Less GST recoverable	(1,206)	(615)	-	(1,821)
Total commitments (exclusive of GST)	12,055	6,150	-	18,205

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

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

Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

Introduction

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 MMA's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial assets

Financial assets at amortised cost

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

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

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

The MMA recognises the following assets in this category:

- cash and deposits
- third party loan receivable
- receivables (excluding statutory receivables)

Categories of financial liabilities

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

- payables (excluding statutory payables)
- borrowings.

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7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

(\$ thousand)

2022	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
Contractual financial assets				
Cash and deposits	21,833	-	-	21,833
Receivables (a)				
Accrued investment income	-	14	-	14
Third Party Loan receivable	-	302	-	302
Rental income	-	1,329	-	1,329
Total contractual financial assets	21,833	1,645	-	23,478
Contractual financial liabilities				
Payables (a)				
Supplies and services	-	-	2,343	2,343
Tenant bonds and retention monies	-	-	2,740	2,740
Other payables	-	-	173	173
Borrowings				
Loans from TCV	-	-	24,171	24,171
Total contractual financial liabilities	-	-	29,427	29,427

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes receivable/payable).

2021	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
Contractual financial assets				
Cash and deposits	23,730	-	-	23,730
Receivables (a)				
Accrued investment income	-	1	-	1
Third Party Loan receivable	-	304	-	304
Rental income	-	2,554	-	2,554
Total contractual financial assets	23,730	2,859	-	26,589
Contractual financial liabilities				
Payables (a)				
Supplies and services	-	-	4,294	4,294
Tenant bonds and retention monies	-	-	2,351	2,351
Other payables	-	-	171	171
Borrowings				
Loans from TCV	-	-	19,000	19,000
Total contractual financial liabilities	-	-	25,816	25,816

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes receivable/payable).

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7.1.2 FINANCIAL INSTRUMENTS - NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY

(\$ thousand)

2022	Net holding gain/(loss)	Total interest income/(expense)	Fee income / (expense)	Impairment loss	Total
Contractual financial assets					
Financial assets - at amortised cost	-	42	-	(101)	(59)
Total contractual financial assets	-	42	-	(101)	(59)
Contractual financial liabilities					
Financial liabilities at amortised cost	-	(1,053)	-	-	(1,053)
Total contractual financial liabilities	-	(1,053)	-	-	(1,053)

2021	Net holding gain/ (loss)	Total interest income / (expense)	Fee income / (expense)	Impairment loss	Total
Contractual financial assets					
Financial assets - loans and receivables	-	23	-	111	134
Total contractual financial assets	-	23	-	111	134
Contractual financial liabilities					
Financial liabilities at amortised cost	-	(1,035)	-	-	(1,035)
Total contractual financial liabilities	-	(1,035)	-	-	(1,035)

Note:

Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents financial assets at amortised cost, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

As a whole, MMA's Finance, Audit & Risk Management (FARM) program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage MMA's financial risks within the government policy parameters.

MMA's main financial risks include credit risk, liquidity risk and interest rate risk. MMA manages these financial risks in accordance with its financial risk management policy.

MMA uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the FARM committee of the MMA.

7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial Instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. MMA's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to MMA. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the MMA's contractual financial assets is minimal because the MMA's policy is to obtain sufficient collateral, insurance bond or bank guarantee, where appropriate.

In addition, the MMA does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the MMA's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the MMA will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more the 90 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the MMA's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to MMA's credit risk profile in 2021-22.

Credit quality of financial assets (a)				(\$ thousand)
2022	Financial institutions (AA- credit rating)	Government Agencies (double-A credit rating)	Other (minimum triple-B credit rating)	Total
Financial assets				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and deposits	21,829	-	4	21,833
Statutory receivables (with no impairment recognised)	-	14	-	14
Investments & other contractual financial assets				
- Contractual receivables			1,329	1,329
- Third Party Loan receivable	-	-	302	302
Total financial assets	21,829	14	1,635	23,478

Note:

(a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government, GST input tax credit recoverable and land tax recoverable).

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7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit quality of financial assets ^(a)

2021	Financial institutions (AA- credit rating)	Government Agencies (triple-A credit rating)	Other (minimum triple-B credit rating)	Total
Financial assets				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and deposits	4,726	19,000	4	23,730
Statutory receivables (with no impairment recognised)	-	1	-	1
Investments & other contractual financial assets				
- Term deposits and contractual receivables	-	-	2,554	2,554
- Third Party Loan receivable	-	-	304	304
Total financial assets	4,726	19,001	2,862	26,589

Note:

(a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government, GST input tax credit recoverable and land tax recoverable).

Impairment of financial assets under AASB 9

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

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Contractual receivables at amortised cost

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

On this basis, the MMA determines the closing loss allowance at the end of the financial year as follows:

30 June 2022	Current	Less than 1 month	1-3 months	3 months - 1 years	1-5 years	Total
Expected loss rate	0%	2%	3%	41%	0%	
Gross carrying amount of contractual receivables	871	259	111	162	0	1,403
Loss allowance	-	5	3	66	-	74

1 July 2021	Current	Less than 1 month	1-3 months	3 months - 1 years	1-5 years	Total
Expected loss rate	0%	2%	3%	37%	0%	
Gross carrying amount of contractual receivables	1,116	282	401	859	235	2,893
Loss allowance	-	6	12	321	-	339

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

	2022	2021
Balance at beginning of the year	(339)	(429)
Increase in provision recognised in the net result	(74)	(339)
Reversal of provision of receivables written off during the year as uncollectable	56	112
Reversal of unused provision recognised in the net result	283	317
Balance at end of the year	(74)	(339)

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

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts are considered as written off by mutual consent.

Statutory receivables and debt investments at amortised cost

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

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance has been recognised.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The MMA operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The MMA is exposed to liquidity risk mainly through the financial liabilities as disclosed on the face of the balance sheet.

The MMA manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- careful maturity planning of its financial obligations based on forecasts of future cash flows
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's double-A, which assists in accessing debt market at a lower interest rate).

The MMA also has access to a \$7million 11am loan draw down facility with TCV which may be drawn at anytime with a floating interest rate equal to the TCV growth market rate. The facility remains undrawn as at 30 June 2022 and expires in 30 June 2040.

The MMA's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Financial Instruments: Market risk

The MMA's exposure to market risk, is primarily through interest rate risk. Objectives, policies and processes used to manage this risk is disclosed below.

Sensitivity disclosure analysis and assumptions

The MMA's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The MMA cannot be expected to predict movement in market rates. Sensitivity analysis shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 50 basis points up and down in market interest rates.

The tables on page 75 show the impact on the MMA's net result and equity for each category of financial instrument held by the MMA at the end of the reporting period. If the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The MMA does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. MMA has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

MMA manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and MMA's sensitivity to interest rate risk are set out in the table that follows.

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7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

Interest rate exposure of financial instruments

(\$ thousand)

2022	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial Assets					
Cash and deposits	0.10%	21,833	-	21,829	4
Receivables (a)					
- Accrued investment income		14	-	-	14
- Third Party Loan	2.75%	302	302	-	-
- Rental income		1,329	-	-	1,329
Total financial assets		23,478	302	21,829	1,347
Financial Liabilities					
Payables (a)					
- Borrowings	3.50%	24,171	24,171	-	-
- Supplies and services		2,343	-	-	2,343
- Tenant bonds and retention monies		2,740	-	-	2,740
- Other payables		173	-	-	173
Total financial liabilities		29,427	24,171	-	5,256

Note:

(a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government, GST input tax credit recoverable and land tax recoverable).

(\$ thousand)

2021	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial Assets					
Cash and deposits	0.10%	23,730	-	23,726	4
Receivables (a)					
- Accrued investment income		1	-	-	1
- Third Party Loan	2.75%	304	304	-	-
- Rental income		2,554	-	-	2,554
Total financial assets		26,589	304	23,726	2,559
Financial Liabilities					
Payables (a)					
- Borrowings	4.26%	19,000	19,000	-	-
- Supplies and services		4,294	-	-	4,294
- Tenant bonds and retention monies		2,351	-	-	2,351
- Other payables		171	-	-	171
Total financial liabilities		25,816	19,000	-	6,816

Note:

(a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government, GST input tax credit recoverable and land tax recoverable).

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7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

Interest rate risk sensitivity

(\$ thousand)

		-50 basis points	+50 basis points
	Carrying amount	Net result	Net result
2022			
Contractual financial assets			
Cash and deposits	21,829	(109)	109
Total impact	21,829	(109)	109
2021			
Contractual financial assets			
Cash and deposits	23,726	(119)	119
Total impact	23,726	(119)	119

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the MMA.

These are classified as either quantifiable, where potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES (CONTINUED)

Contingent liabilities (continued)

Non-quantifiable contingent liabilities

A number of potential obligations are non-quantifiable at this time arising from:

- indemnities provided in relation to transactions, including financial arrangements and consultancy services, as well as for directors and administrators
- deeds in respect of certain obligations
- unclaimed monies, which may be subject to future claims by the general public against the State.

Quantifiable contingent liabilities

The MMA did not have contingent liabilities as at 30 June 2022 (2021: nil).

7.3 FAIR VALUE DETERMINATION

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

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

The following assets and liabilities are carried at fair value:

- land, buildings, infrastructure, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes. MMA determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

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

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

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

The Valuer General Victoria (GVV) is MMA's independent valuation agency. MMA monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

Subsequent to initial recognition, none of MMA's financial instruments are recorded at fair value.

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7.3.1 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value
 - in respect of those assets subject to fair value determination using Level 3 inputs
 - a reconciliation of the movements in fair values from the beginning of the year to the end
 - details of significant unobservable inputs used in the fair value determination.

Fair Value measurement hierarchy

(\$ thousand)

2022	Carrying amount as at 30 June 2022	Fair value measurement at end of reporting period using		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Land at fair value				
Specialised land	50,700	-	-	50,700
Total of land at fair value	50,700	-	-	50,700
Buildings at fair value				
Specialised buildings	400,691	-	-	400,691
Total of buildings at fair value	400,691	-	-	400,691
Plant, equipment and vehicles at fair value				
Vehicles ^(b)	149	-	-	149
Plant and equipment	361	-	-	361
Total of plant, equipment and vehicles at fair value	510	-	-	510

2021	Carrying amount as at 30 June 2021	Fair value measurement at end of reporting period using		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Land at fair value				
Specialised land	50,700	-	-	50,700
Total of land at fair value	50,700	-	-	50,700
Buildings at fair value				
Specialised buildings	405,400	-	-	405,400
Total of buildings at fair value	405,400	-	-	405,400
Plant, equipment and vehicles at fair value				
Vehicles ^(b)	192	-	-	192
Plant and equipment	366	-	-	366
Total of plant, equipment and vehicles at fair value	558	-	-	558

Notes:

(a) Classified in accordance with the fair value hierarchy

(b) Vehicles are categorised to Level 3 assets as the depreciated replacement cost is used in estimating the fair value

There have been no transfers between levels during the period.

7.3.1 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS (CONTINUED)

Specialised land and buildings: The fair value of land and buildings is determined on the basis of a periodic independent valuation by external valuation experts. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

Note 1 discloses the uncertainty created by COVID-19 pandemic and the significant judgement made by the valuer in estimating the fair value of land and buildings.

An independent valuation of MMA's land was performed by the VGV at 30 June 2021 which conform to Australian Valuation Standards.

Specialised land is valued using the market based direct approach whereby the property is compared to recent sales making adjustments for points of difference to establish the Fair Value.

In FY2021, an independent valuation was performed by PricewaterhouseCoopers on behalf of the Valuer-General Victoria to determine fair value using the market approach for land and a current replacement cost for building. Valuation of the assets was determined by analysing comparable sales and allowing for size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset with an independent valuation of the MMA's land to \$50.7 million. The effective date of the valuation was 30 June 2021.

A fair value assessment was conducted using the Valuer-General Victoria (VGV) land indices for the year ended 30 June 2022. Changes were immaterial and therefore no revaluation was made.

Buildings and improvements: An independent valuation to MMA's buildings was performed by PricewaterhouseCoopers on behalf of VGV at 30 June 2021 which conform to Australian Valuation Standards using current replacement cost method which factors best available evidence from recognised building cost indicators, Quantity Surveyors and example of current costs, assessment of useful life/remaining useful life and an assessment of current rate. These unobservable inputs are classified as Level 3 fair value measurements. The fair value ascribed by VGV for the carrying amount of buildings and improvements, as represented by the current replacement cost, at 30 June 2021 is \$405.4 million. Additions to buildings and improvements since 1 July 2021 are recorded at cost, which represents fair value.

Note 1 discloses the uncertainty created by COVID-19 pandemic and the significant judgement made by the valuer in estimating the fair value of land and buildings.

Vehicles are valued using the current replacement cost method. MMA acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in MMA who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

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

There were no changes in valuation techniques throughout the period to 30 June 2022.

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

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7.3.1 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS (CONTINUED)

Reconciliation of Level 3 fair value movements (\$ thousand)

2022	Specialised Land	Specialised Buildings	Vehicles	Plant and equipment
Opening Balance	50,700	405,400	192	366
Purchases (sales)	-	8,867	-	202
Disposals	-	-	-	(1)
Depreciation	-	(13,576)	(43)	(206)
Subtotal	-	(4,709)	(43)	(5)
Revaluations	-	-	-	-
Subtotal	-	-	-	-
Closing balance	50,700	400,691	149	361

2021	Specialised Land	Specialised Buildings	Vehicles	Plant and equipment
Opening Balance	71,500	407,228	232	377
Purchases (sales)	-	1,060	-	236
Disposals	-	-	-	-
Depreciation	-	(13,301)	(40)	(247)
Subtotal	-	(12,241)	(40)	(11)
Revaluations	(20,800)	10,413	-	-
Subtotal	(20,800)	10,413	-	-
Closing balance	50,700	405,400	192	366

Description of significant unobservable inputs to Level 3 valuations

2021 and 2022	Valuation Technique	Significant unobservable inputs
Buildings - Epping	Current replacement cost	Direct cost per square metre Useful life of buildings
Land	Market approach	Community Service Obligation (CSO) adjustment
Vehicles	Current replacement cost	Useful life of vehicles
Plant and equipment	Current replacement cost	Useful life of plant and equipment

Significant unobservable inputs have remained unchanged since.

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8. OTHER DISCLOSURES

Introduction

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

Structure

- 8.1 Ex gratia expenses
- 8.2 Reserves
- 8.3 Responsible persons
- 8.4 Remuneration of executives

- 8.5 Related parties
- 8.6 Remuneration of auditors
- 8.7 Subsequent events
- 8.8 Other accounting policies
- 8.9 Australian Accounting Standards issued that are not yet effective
- 8.10 Glossary of technical terms
- 8.11 Style conventions

8.1 EX GRATIA EXPENSES

(\$ thousand)

	2022	2021
Compensation for economic loss	8	3
Total ex gratia expenses ^(a)	8	3

Notes:

(a) The total for ex gratia expenses is also presented in 'other operating expenses' of Note 3.2 Other operating expenses

8.2 RESERVES

(\$ thousand)

	2022	2021
Physical asset revaluation surplus ^(a)		
Balance at beginning of financial year	125,943	136,330
Revaluation decrements	-	(10,387)
Balance at end of financial year	125,943	125,943

(a) The physical assets revaluation surplus arises on the revaluation of specialised land and buildings

8.3 RESPONSIBLE PERSONS

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

Names

The persons who held the positions of Ministers and Accountable Officers in the Authority are as follows:

Minister for Agriculture	The Hon. Mary-Anne Thomas	01-Jul-2021 to 27-Jun-2022
Minister for Agriculture	The Hon. Gayle Tierney	28-Jun-2022 to 30-Jun-2022
Board Chairperson	Mr P Tuohey	01-Jul-2021 to 30-Jun-2022
Board Member	Ms S Friend	01-Jul-2021 to 30-Apr-2022*
Board Member	Ms J Carboon	01-Jul-2021 to 30-Jun-2022
Board Member	Mr D Beatty	01-Jul-2021 to 30-Jun-2022
Board Member	Dr H Parsons	07-Sep-2021 to 30-Jun-2022
Chief Executive Officer	Mr M Maskiell	01-Jul-2021 to 30-Jun-2022

* Appointed Advisor to the board from 1st May 2022

8.3 RESPONSIBLE PERSONS (CONTINUED)

Remuneration

Remuneration received or receivable by the responsible persons in connection with the management of the MMA during the reporting period was:

Income Band	2022	2021
\$20,000 to \$29,999	4	3
\$40,000 to \$49,999	1	1
\$370,000 to \$379,999	-	1
\$380,000 to \$389,999	1	-

8.4 REMUNERATION OF EXECUTIVES

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

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

	(\$ thousand)	
Remuneration of executive officers (including executives defined as Key Management Personnel (KMP) disclosed in Note 8.5)	Total Remuneration 2022	Total Remuneration 2021
Short-term employee benefits	890	833
Post employment benefits	82	75
Other long-term benefits	10	41
Total remuneration (a)	982	949
Total number of executives	4	4
Total annualised employee equivalents (b)	4	4

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 8.5).

MELBOURNE MARKET AUTHORITY

8.5 RELATED PARTIES

The Melbourne Market Authority is a wholly owned and controlled entity of the State of Victoria.

Related parties of MMA include:

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

All related party transactions have been entered into on an arm's length basis.

Key management personnel (KMP) of the agency pursuant to section 53(1)(b) of the FMA of MMA's financial statements include:

Key Management Personnel	Position Title
Mr Mark Maskiell	Chief Executive Officer
Mr David Whitchelo	Chief Operating Officer
Mr David Power	Business Development and Marketing Manager
Mr Harry Battal	Chief Financial Officer
Mr Malcolm Lum	General Counsel
Ms Lauren Kitchener	Manager, Strategic Communications
Mr Peter Tuohey	Board Chairperson
Ms Jacinta Carboon	Board Member
Ms Susan Friend	Board Member
Mr David Beatty	Board Member
Dr Hermione Parsons	Board Member

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported in the State's Annual Financial Report.

	(\$ thousand)	
Compensation of KMP's (a)	2022	2021
Short-term employee benefits	1,476	1,300
Post-employment benefits	128	108
Other long-term benefits	25	102
Total (b)	1,629	1,510

Note:

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.4).

(b) Total remuneration paid to KMP's employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

8.5 RELATED PARTIES (CONTINUED)

Transactions and balances with key management personnel and other related parties

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

Outside of normal citizen type transactions with the MMA, there were no related party transactions that involved key management personnel, their close family members and their personal business interests.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

During the year, MMA provided services to the Department of Job, Precincts and Regions (DJPR) under terms and conditions equivalent for those that prevail in arm's length transactions. The transactions involved site repairs, car parking, site access fees and tenancy repair works with an aggregated value of \$249,477 (2021: \$206,322).

During the year, MMA paid the State Revenue Office \$618,746 in Land Tax of which \$512,870 is recoverable from tenants. An amount of \$94,000 was paid during the year to the Department of Environment, Land, Water and Planning for valuation services.

MMA had both loans and deposits with TCV during the year. MMA paid interest and a Financial Accommodation Levy to TCV and DTF on loans with an aggregated value of \$1,055,821 (2021: \$1,035,706). TCV paid interest on deposits to MMA with an aggregated value of \$5,316 (2021: \$21,425).

8.6 REMUNERATION OF AUDITORS

	(\$ thousand)	
	2022	2021
Victorian Auditor-General's Office		
Audit of financial statements	45	55
Total remuneration of auditors	45	55

8.7 SUBSEQUENT EVENTS

At the date these Financial Statements are authorised for issue, no further adjustments in respect of the impact restrictions may result in the closure of most retail stores with limited exceptions. As such the full consequences on the MMA's future financial performance and the value of the MMA land and buildings continues to be uncertain.

Since the end of the year, the MMA is not aware of any other matter or circumstances not otherwise disclosed with in this report of the Financial Statements that has significantly affected or may significantly affect the operations of the MMA, the results of those operations or the state of affairs of the MMA in future financial periods

8.8 OTHER ACCOUNTING POLICIES

Contribution by owners

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

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

8.9 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new and revised accounting standards have been issued but are not effective for the 2021/22 reporting period. These accounting standards have not been applied to the MMA Financial Statements. The MMA is reviewing its existing policies and assessing the potential implications of these account standards which includes:

- AASB 2020-21 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-6 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The MMA will not early adopt the Standard.

The MMA is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact of the MMA reporting.

- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*.
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definitions of Accounting Estimates*.
- AASB 2021-6 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- AASB 2021-7 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*.

8.10 GLOSSARY OF TECHNICAL TERMS

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

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)
- the effects of changes in actuarial assumptions.

Amortisation is the expenses that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria and other interest bearing arrangements. Borrowing also include non-interest bearing advances for government that are acquired for policy purposes.

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

8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

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

Effective Interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, and defined contribution superannuation plans.

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

Financial asset is any asset that is:

- cash
- an equity instrument of another entity
 - a contractual right to receive cash or other financial assets from another entity or to exchange financial assets of financial liabilities with another entity under conditions that are potentially favourable to entity
- A financial asset can also be a contract that will or may be settled in the entity's own equity instruments and is either:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments
 - 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 instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is either:

- 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;
- a contract that will or may be settled in the entity's own equity instruments and is either:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments
 - 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 instrument do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

Financial statements in the Model report comprises:

- a balance sheet as at the end of the period
- a comprehensive operating statement for the period
- a statement of changes in equity for the period
- a cash flow statement for the period
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*
- 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 paragraphs 41 of AASB 101.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, amortisation of discounts or premiums in relation to borrowings, and accommodation levy.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

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

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

Non-financial assets are all assets that are not financial assets. It includes land, buildings, capital works in progress, plant, equipment and vehicles.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also to '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. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments; and depletion of natural assets (non-produced) from their use or removal.

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. They include change in physical asset revaluation surplus; and gains and losses on remeasuring available-for-sale financial assets.

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

Produced assets include buildings, plant and equipment and certain intangible assets. Intangible produced assets may include computer software and research and development costs (which does not include the start-up costs associated with capital projects).

8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

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 MMA.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

8.11 STYLE CONVENTIONS

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts. The notation used in the tables is as follows:

..	zero, or rounded to zero
(xxx.x)	negative numbers
202x	year
202x 0x	year periods

The financial statements and notes are presented based on the illustration for a government department in the *2021-22 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the MMA's annual reports.



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