



Melbourne Market Authority Annual Report 2023 - 2024





The Hon. Ros Spence MP
Minister for Agriculture
Level 22, 50 Lonsdale Street
Melbourne VIC 3000

Dear Minister,

The Melbourne Market Authority (MMA) is pleased to submit its Annual Report for the year ending 30 June 2024.

This report covers the period 1 July 2023 to 30 June 2024. 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 deliver 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".

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 2024.



Peter Tuohey
Chairperson
Melbourne Market Authority
24 September 2024

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 Ministers for the period from 1 July 2023 to 30 June 2024 were:

The Hon. Gayle Tierney MP, Minister for Agriculture, 1 July 2023 to 1 October 2023

The Hon. Ros Spence MP, Minister for Agriculture, 2 October 2023 to 30 June 2024

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

Our vision

The Melbourne Market will be recognised as an industry leader in fresh produce distribution, committed to innovation, quality and operational excellence.

Strategy statement

Deliver a modern, sustainable and thriving Melbourne Market, with a focus on increasing the value of the market precinct.

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

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.

The beginning of the 2023-24 financial year saw the development and adoption of the new Melbourne Market Authority (MMA) 2023-26 Strategic Plan. This was an opportunity to reflect and renew our direction, helping the MMA to best meet the needs of our market customers and help the fresh produce industry to thrive in an ever-changing landscape. As always, our strategy is based upon the objectives and functions set out in the *Melbourne Market Authority Act 1977 (the Act)*, which we have broken down into three primary goals.

This annual report highlights a range of projects and developments undertaken by the MMA, which we believe will address future challenges faced by the market and the fresh produce and flower industries while seizing innovative opportunities.

The MMA's focus on maintaining a vibrant and sustainable market includes careful consideration of what the future may hold. Our investigations into a potential change in market hours continued throughout the reporting period. This change would be the first of its kind in Australia and, therefore, requires substantial research and consultation to ensure the appropriate systematic and infrastructural changes are considered.

Two other significant milestones achieved in this reporting period were the insourcing of market operations and the tender and allocation of a new asset management contract. Considerable effort and attention were dedicated to these projects for the betterment of the market's operations and the experience of our tenants, buyers, and the wider market community. At its core, the purpose of this work was to ensure the market was running as efficiently as possible while maintaining the high level of service our customers have come to expect. Enhancing the MMA's operations department removed additional layers of subcontracting between MMA executive and frontline staff, ensuring improved engagement with market businesses. Coupled with a robust tender process and revised approach to asset management, the MMA is confident these changes will continue to deliver improvements and efficiencies in the years to come.

2023-24 was the first full reporting period in which the Melbourne Market's 5,432 2.4-megawatt solar panels were operating, saving 1,708,793 kilograms of CO₂ emissions, or the equivalent of planting 33,139 trees. We continue striving to deliver on our sustainability objectives in line with the Victorian Government's ambition to achieve net zero emissions by 2045.

To live up to our values, we believe the MMA should lead in fostering an inclusive and respectful culture. Work continued for the third year on a market-wide culture change project called Stronger Together. The program aims to achieve a Melbourne Market free of racism, sexism, discrimination, harassment, violence, and bullying. We are committed to embedding the values of this program and taking a stand against harmful behaviours to create a Melbourne Market for future generations where people are proud to work and trade.

We are committed to investing in consumer-oriented marketing initiatives to drive increased produce volumes throughout the supply chain. The MMA has played a vital part in the Central Markets Association of Australia's (CMAA) involvement, along with Fresh Markets Australia, in delivering a national consumer marketing program '*A better choice!*' to encourage shoppers to purchase from their local greengrocer. Victorian greengrocers continue to embrace the program, and we thank our entire market community for their support.

Similarly, the MMA has continued to invest in fresh flower marketing, driving consumer purchasing at local florists under the National Flower Centre brand. These efforts were particularly successful this year, reaching more than 11 million Victorians.

The *A better choice!* program and fresh flower marketing campaigns optimize economies of scale for small to medium businesses purchasing from the Melbourne Market, enabling them to wield a more significant advertising presence to compete with major supermarkets. And when greengrocers, florists, and independent supermarkets do well, the results benefit the entire Market community.

On behalf of the MMA, we thank the agencies, government departments, growers, wholesalers, and retailers involved in helping us achieve our goals. Their ongoing engagement is instrumental in the day-to-day operations of the market and preparing for the future.

We want to acknowledge our advisory committee members, whose valuable insights and contributions are integral to the overall function of the market. Your guidance and time are very much appreciated.

We also wish to extend our thanks to the representing body for fruit and vegetable wholesalers, Fresh State, for its continued consultation and collaboration, especially on the *A better choice!* program. This important working relationship benefits the fresh produce industry and our market community.

We thank our colleagues at Agriculture Victoria, whom we have worked closely with over the past year. A special mention must be made to the Ministers for Agriculture, the Hon. Ros Spence MP and the Hon. Gayle Tierney MP, who have supported us throughout

these past twelve months. We are grateful for the support of other parliamentary members and will continue to work with our Local Government representatives from the City of Whittlesea to ensure the best outcomes for the region and the State of Victoria.

We extend our thanks to the MMA Board members for their leadership and support: Sue Friend, Dr. Hermione Parsons, Angie Bradbury and Margaret Burdeu. Thank you to the two facility management partners we have worked with this year: Plenary Asset Management and Brookfield Global Integrated Solutions (BGIS). And, of course, thanks to the MMA Executive Leadership Team and all MMA staff for your dedication throughout the financial year.

While 2023-24 was another busy year, we know there is much more work to do. Together with the entire MMA team, we are dedicated to realising opportunities for transformation, expansion, and investment as we progress towards the future.

We are pleased to present the Melbourne Market Authority's 2023-24 Annual Report.



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Peter Tuohy
Chairperson
Melbourne Market Authority



A handwritten signature in black ink, appearing to read 'Mark'.

Mark Maskiell
Chief Executive Officer
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 fresh fruit, vegetables and flowers from across Australia and the world.

Set on a 67-hectare site in Epping in Melbourne's North, the market provides the critical link between growers, wholesalers, retailers and distributors in the fresh produce and flower supply chain.

Consistent with the Victorian Government's vision of a strong, innovative, and sustainable agriculture sector, the Melbourne Market Authority aims to attract more ideas and investment, help businesses innovate and grow, capture market opportunities, and adapt to a modern trading environment.

The 2023-24 financial year saw the implementation of a new three-year Strategic Plan with a focus on three priority areas:

1. Deliver a modern, sustainable, thriving market.
2. Drive commercial success.
3. Be a safe, productive and vibrant place to work and trade.

PORTFOLIO PERFORMANCE REPORTING

Goals, measures and key initiatives

In 2023, the MMA engaged an external consultant to support the restructuring of its Strategic Plan. The 2023-26 Strategic Plan outlines the MMA's goals in line with its objectives 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.

The 2023-26 Strategic Plan is structured around three key goals, with measures and initiatives to track progress as outlined in Table 1 below:

Table 1 – Agency goals, measures and key initiatives

Goal	Measures	Key initiatives
1. Deliver a modern, sustainable market	<ul style="list-style-type: none"> • Achieve zero net emissions by 2045 (in line with the Vic Gov target). • Successful implementation of Board-approved key initiatives. 	<ul style="list-style-type: none"> • Continue to reduce our environmental footprint and achieve zero net emissions by 2045. • Review market hours and develop a strategy to explore a potential transition to daylight trading. • Deliver the Eastern Boundary development on time and within budget. • Seek opportunities to modernise the market through innovation in logistics and export. • Review opportunities to digitise market operations, such as online trading and the use of data.
2. Drive commercial success	<ul style="list-style-type: none"> • Maintain >90 per cent tenant occupancy. • Maintain annual visitation levels. • Deliver two initiatives to increase efficiency or boost sales of businesses operating within the market. • Participate in two activities that increase awareness of the Melbourne Market and its role in the fresh produce and flower supply chain. 	<ul style="list-style-type: none"> • Maintain occupancy and visitation levels. • Drive financial outcomes for the businesses that use the market as a base. • Position the Melbourne Market as a leader in the fresh produce industry.
3. Be a safe, productive and vibrant place to work and trade	<ul style="list-style-type: none"> • Zero significant workplace incidents. • 75 per cent market users' satisfaction score on survey by 2025. • 80 per cent satisfaction on employee engagement survey. 	<ul style="list-style-type: none"> • Continually improve the safety of all people in the market precinct. • Enhance all levels of stakeholder engagement, including market users. • Enhance employee development and performance management. • Increase productivity by streamlining operations for the benefit of market users.

Goal 1: Deliver a modern, sustainable market

The Melbourne Market precinct is a significant physical asset and component of the Victorian agriculture and fresh food produce value chain. This goal focuses on innovation, efficiency, and improvements in the market itself and the wider Victorian horticulture industry.

Review market hours and develop a strategy to explore a potential transition to daylight trading

A key focus for the MMA has been an overarching project to review the site as a whole and look for opportunities to create a modern, thriving and sustainable market that is fit for purpose for the future. A key part of the project is undertaking an in-depth review of trading hours to ensure they will support the long-term viability of the Melbourne Market for generations to come. Although the site itself is accessible to tenants around the clock, the market's trading hours – the window of time when buyers may access the market site – serve as an organising mechanism for the entire wholesale market supply chain. In the last two decades, the Victorian fresh produce wholesale industry has undergone significant transformation due to a range of impacts, including the expansion of retail trading hours to seven days a week, advancements in cold chain management, and widespread digitisation of stock management.

These industry-specific changes sit within a broader context of social and cultural transformation. Technology is driving widespread societal change, increasing workplace flexibility and improving productivity and innovation. It is, therefore, timely to review the market's trading hours to assess its suitability to contemporary needs. The investigation is the first of its kind in Australia. The lack of a local model has made for a complex task, with many additional operational and infrastructure factors revealing themselves as activity progressed. Work continues on this project, including collaboration with our market community and relevant stakeholders to ensure any change will bring tangible benefits to the independent fresh produce industry.

Continue to reduce our environmental footprint and achieve zero net emissions by 2045

Continued efforts to reduce the Melbourne Market's environmental footprint and emissions will generate long-term value for the market precinct through enhanced environmental, financial, and operating efficiency. This will also support the Government's vision for Victoria to be a frontrunner in low-emission food and fibre production.

Waste generated at the Melbourne Market is divided into three general classes: landfill, organics and recycling. Over the past few years, the MMA has posted consistently strong recycling results trending towards a plateau. As part of the MMA's new 2023-26 Strategic Plan, waste disposal figures from the 2023-24 reporting period onwards will consider all activity conducted on-site. This ambitious adjustment contributed to the appearance of a lower reported recycling rate of 80.75 per cent, down from 86.7 per cent last year; however, it is a result of an expansion of data. The MMA accepts this lower figure, knowing that by setting new targets, it will continue to strive for environmental and sustainability improvements and remain committed to its competitive targets.

Recycling efforts included approximately 1.5 million kilograms of organic waste sent to Yarra Valley Water's Food Waste to Energy plant, which produces enough clean energy to power 1,300 homes annually.

Further, an on-site organics dehydrator trial was conducted as part of research looking at opportunities for increased efficiency and sustainability in waste management. Dehydrating organic waste can reduce its original mass by 90 per cent, resulting in a nutrient-rich fertiliser. Processing waste on-site can also help to reduce costs and emissions generated by waste collection and disposal. At the end of the reporting period, results of the trial were still being investigated.

The MMA also grants access to food recovery programs, including Fareshare and Foodbank Victoria, whose collection points at the market allow the market community to donate produce directly. Throughout the reporting period, more than 188 tonnes of fresh produce were generously donated through these channels.

Review opportunities to digitise market operations

The MMA has been working on a new website and app to better demonstrate the benefits of doing business at the Melbourne Market, enhance its digital footprint, and support market users in finding their way when on site. Features of the app include a searchable database of all growers and wholesalers, live information about the produce they sell, an interactive map and login capability that will enable the use of personalised communications, push notifications and, in future, a digital Access Card. At the end of the reporting period, the website was in the later stages of development, and the app had been completed. The app and website will launch simultaneously in the next financial year.

One of the MMA's values is service, which informs its customer-centric focus. Continued investment in customer relationship management and corresponding Salesforce software allows the use of insights and data to support decision-making, increase efficiency, and improve the customer experience. In Q4 of the reporting period, the MMA began a customer journey mapping project to identify and implement more of these opportunities, beginning with the onboarding process for new buyers.

Uptake of the MMA Customer Portal remained steady in the reporting period, with approximately 25 per cent of eligible businesses currently registered. As an industry rooted in traditional farming, the MMA understands that meeting businesses' needs while still delivering a modern market will be a slow and ongoing process. Therefore, efforts are continuing to support customers to embrace digital capability.

The MMA dedicates significant attention to cyber security, especially as market operations become increasingly digital. In addition to business-as-usual updates and maintenance of existing solutions, a major focus was implementing a domain-based message authentication (DMARC) solution for all domains owned by the MMA. This program initiative was driven by the State Government service teams within the Cyber Security, Data, and Digital Resilience Division.

Further, an external provider conducted a penetration test of the Melbourne Market firewall. All external services were in good order and passed all tests. The provider also conducted a cyber security training session for all MMA staff focusing on current threats, identity protection and awareness, and improving internal resilience to common threats.

Eastern Boundary development, innovation in logistics and export

The Eastern Boundary development initially focused on securing 11 hectares of neighbouring State Government land. Over the reporting period, the MMA has continued working with the State Government while in parallel, begun investigating the potential to develop existing Melbourne Market land. Demand for on-site warehousing has remained strong, so multi-level warehousing and car parking is being considered to maximise land utilisation and meet tenant needs. This development ties into the MMA's logistics and export innovation initiative, with the potential for the new facility to become an import-export hub in future.

Another effort to investigate export and logistics innovation opportunities was the Board's site visits to two tenant businesses that export produce to better understand their needs and challenges. Further, a delegation from New Zealand was hosted at the Melbourne Market in June to coincide with their visit to the Hort Connections conference in Melbourne.

Measures	2023-24
• Achieve zero net emissions by 2045 (in line with the Vic Gov target)	On track
• Successful implementation of Board approved key initiatives	✓

Goal 2: Drive commercial success

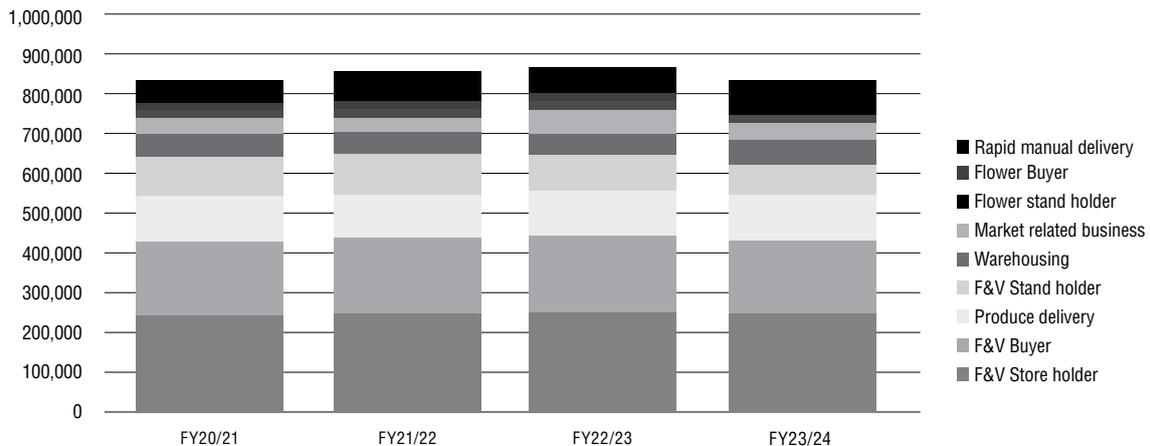
This goal focuses on optimising the value of the Melbourne Market as an asset of state significance and initiatives to help drive financial outcomes for the businesses that use it as a base.

Maintain occupancy and visitation levels

The Melbourne Market offers tenants efficiency through consolidating operations within the market premises. An advantage of this purpose-built facility is its size, with approximately 93,000 m² of warehousing available on-site. Of this space, ESR Australia & New Zealand manages 75,000 m², and MMA manages the remaining 18,000 m². At the end of the reporting period, warehousing remained at 100 per cent occupancy and is in high demand, attracting a sizeable waitlist.

There are two types of fruit and vegetable tenancies at the Melbourne Market: stores and stands, both of which continue to be in high demand. At the end of the reporting period, stores are at 100 per cent capacity, and stands are around 85 per cent. The MMA intentionally keeps several fruit and vegetable trading stands unoccupied to accommodate growers seeking casual stands for seasonal produce, thus making it unattainable and not anticipated to achieve full occupancy of 100 per cent. Occupancy of the National Flower Centre has maintained its all-time high of approximately 99 per cent.

Entries to the market decreased by 2 per cent over the reporting period, from 793,881 to 775,874, as detailed in the table below. The slight decrease could be attributed to cost-of-living pressures resulting in decreased consumer consumption of fresh produce, as indicated by Hort Innovation’s Harvest to Home data.



Position the Melbourne Market as a leader in the fresh produce industry, and drive financial outcomes for the businesses that use the market as a base

In addition to ensuring the MMA itself remains commercially robust, the MMA takes an active role in initiatives that contribute to the financial success of businesses operating at and within the Melbourne Market and the broader Victorian horticulture supply chain.

The MMA continued promoting the Melbourne Market and its role in the fresh produce supply chain by participating in industry events, conducting market tours, external site visits and media relations. Assisted by an external PR agency, the MMA secured positive media coverage for the Melbourne Market, *A better choice!*, and its fruit and vegetable market community with a

cumulative reach of more than eight million. Another major focus was the 2024 Hort Connections conference held in Melbourne, an extension of which was a market tour and breakfast for more than 80 industry delegates, including from Australia's other central markets. Other groups hosted included the Department of Agriculture, Fisheries and Forestry, AusVeg, AusNet and the City of Greater Shepparton. A familiarization tour was also conducted with key media contacts from The Age, Herald Sun, Weekly Times and ABC. As part of its ongoing commitment to stakeholder engagement, the MMA Board visited several stakeholders in the Shepparton and Werribee regions.

The MMA maintained its collaboration with Australia's other central markets and chambers on the *A better choice!* program to support the fresh produce industry. This consumer marketing initiative encourages shopping at the local greengrocer. This year's activities built on the existing momentum of the ambassadorship with TV chef and media personality Julie Goodwin, with the advertising and content campaign continuing into 23-24. This year, the Shop & Win promotion and Retailer of the Year public vote was very well-received, securing more than 24 thousand entries. A celebration breakfast for *A better choice!* members was held in the market in July. MMA team members contributed to the seasonal magazine and worked with an external PR agency to secure positive media coverage and facilitate sponsored social media content with an influential personality and advocate of the fresh produce industry. In addition, commercial partnership efforts from the *A better choice!* national team secured opportunities with leading industry brands and bodies, including Zespri, Perfection and Kanzi.

To raise brand awareness locally, *A better choice!* partnered with Melbourne Food and Wine Festival on a two-day activation at its Festival Hub in Federation Square. The brand was also activated at the nearby Whittlesea Show, with the added benefit of engaging with the market's local community in Melbourne's north.

Efforts continued throughout the reporting period to support the fresh-cut flower and plant industry alongside the National Flower Centre brand. Targeted marketing and PR campaigns were delivered in the lead-up to the significant flower-purchasing occasions of Valentine's Day and Mother's Day, with an estimated reach of more than 11 million and 5 million, respectively.

Investing in consumer-facing initiatives to drive sales at businesses that purchase from the market supports the MMA's tenants as businesses in the supply chain. This approach has the dual benefit of leveraging economies of scale for many small to medium businesses that shop at the market, giving their marketing a competitive edge and adding value to their status as Melbourne Market buyers.

The Market Fresh Schools program continued with the support of the MMA and Melbourne Market tenants. It aims to teach students the importance of eating fresh fruits and vegetables daily as part of a healthy, balanced diet. Throughout the reporting period, 3,580 children participated in 70 sessions. An additional session was delivered at Toyota's headquarters, with approximately 1,000 employees attending.

Progress towards Goal 2

Measures	2023-24
• Maintain >90 per cent tenant occupancy	✓
• Maintain annual visitation levels	✗
• Deliver two initiatives to increase efficiency or boost sales of businesses operating within the market	✓
• Participate in two activities that increase awareness of the Melbourne Market and its role in the fresh produce and flower supply chain	✓

Goal 3: Be a safe, productive and vibrant place to work and trade

Continually improve the safety of all people on the market precinct

The MMA is committed to continuously improving workplace safety and culture and has a market-wide target of zero reportable WorkSafe incidents. This is an aggressive target, given the nature of the on-site operations. However, it is regarded as paramount and commensurate efforts go into producing impactful safety measures and communications.

Measures to make the market safer for all users included enhanced traffic management processes and improved utility of the Gate 1 entry point. At Gate 1, laneway lights, signage, and an express lane were added to improve visibility and wayfinding.

At the end of the previous reporting period, a WorkSafe mandate requiring the installation and use of appropriate restraints for occupants of electric vehicles used on-site came into effect. The MMA continued its multifaceted approach to supporting the mandate, including safety communications and positive reinforcement by rewarding compliance and issuing infringements as a disincentive for non-compliance. The MMA additionally focused on ensuring vehicles continued to be registered with both VicRoads and the MMA.

The MMA continued to deliver impactful safety communications to market users under the MarketSafe sub-brand, focusing on the four key pillars of community, health & wellbeing, practices and vehicles. Under the tagline 'let's all step up for a safer market,' the sub-brand aims to educate and change safety-related behaviours. MarketSafe banded materials feature prominently throughout the Melbourne Market and its channels, including internal billboards and posters, newsletter banners and safety alerts. A key MarketSafe project of this reporting period was creating an educational animation video depicting an actual market incident and detailing how it could have been avoided.

The Melbourne Market remains a drug-and-alcohol-free site, requiring all visitors to undergo breath testing and return a blood alcohol content of 0.00 per cent before being allowed on the site. To ensure compliance amongst Access Card holders, the testing program continued in the 2023-24 financial year, with over 510 random drug and alcohol tests conducted. This zero-tolerance approach contributes to the safety of all people visiting and working on this industrial site.

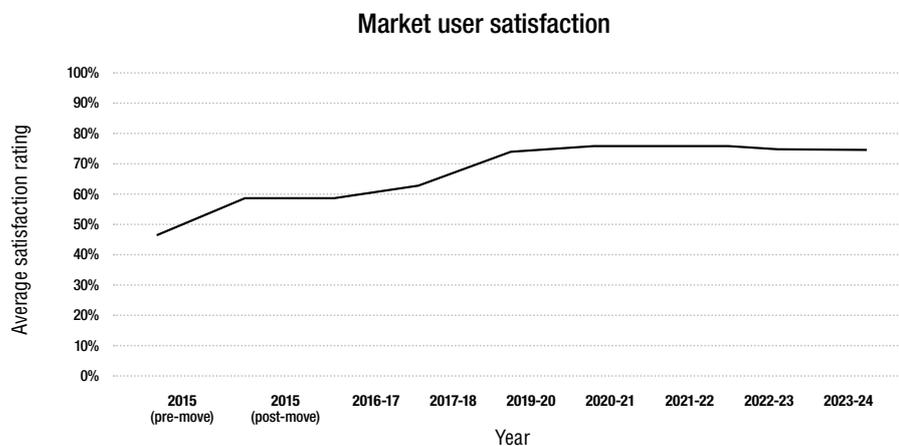
The number of WorkSafe reportable incidents slightly increased from the previous reporting period, from four to five. The MMA will continue to review the incident and near-miss data and consult with market users to direct occupational health and safety initiatives to where they will be most effective in meeting the MMA's aggressive target of zero WorkSafe reportable incidents.

Enhance all levels of stakeholder engagement, including market users

The MMA continues to support the mental health and well-being of its staff and market users. Much of this work falls under the Stronger Together culture change program, which aims to create an environment free from sexism, racism, discrimination, harassment, violence and bullying. A key activity for this period has been a multi-channel marketing campaign to drive behaviour self-regulation. Campaign materials have featured prominently throughout the Melbourne Market, its communication materials and its online presence. The MMA has continued to strengthen this program through established mediums, including site induction, staff and contractor training, and monitoring and support, which are offered through its confidential reporting channels.

Under the Stronger Together pillar of celebrating diversity and inclusion, the MMA supports a seasonal social and cultural events program to foster community and inclusion amongst market users. In the 2023-24 financial year, these occasions included Lunar New Year, International Women's Day, Harmony Week and Children in the Market.

The most recent annual customer satisfaction survey was consistent with last year's results, showing a weighted average satisfaction rate of 75 per cent. This exceeds the MMA's target of 70 per cent and continues the increasing trend reported over the past nine years since moving to the Epping site.



Advisory committees were an immense source of information and continued engagement with the broader market community. In the reporting period, structural changes were made to provide committee members with pre-reading materials, keeping the focus of meetings on high-level, strategic matters to ensure the committees could discuss the topics that matter most to our market community. In addition, engagement with the safety, transport and Stronger Together working groups ensured that the different stakeholder groups essential to running the market had a share of voice in decisions taken.

Increase productivity by streamlining operations for the benefit of market users

Significant effort was allocated to delivering a pipeline of efficiencies to streamline operations and further benefit market users. This pipeline was created using a customer-centric approach, considering MMA-led strategies and feedback from market user surveys and advisory committees. Its primary activity was insourcing and enhancing operations capability and releasing and selecting a new tender for facilities management. Establishing an internal operations capability gave the MMA greater visibility and control, allowing it to deliver a more efficient market. A further benefit was opening a direct line

of engagement to the contracted market relations and customer service workforce to improve the market user experience.

A robust tender process was undertaken to select an appropriate facilities management provider offering greater value for money. During this reporting period, the appointment and handover process to the new provider was given substantial attention to ensure a smooth transition with minimal impact on market users.

The MMA and its facilities management provider have diligently followed an appropriate repairs and maintenance schedule to preserve its integrity and high functionality standards. More than 1,817 work orders for planned maintenance tasks and 1,828 for reactive works were issued in the reporting period. Some of the more major projects were planned maintenance of cool rooms and roller doors, a CCTV application and license upgrade, and the replacement of an uninterruptible power supply unit.

Providing a vibrant, convenient, effective, and safe market supports the MMA's focus on providing for its tenants while retaining existing buyers and attracting new ones.

Enhance employee development and performance management

The MMA's People & Culture function reviewed and restructured its employee development and performance management framework to improve employee experience and align with the MMA's updated 2023-26 Strategic Plan. Another major focus was implementing a modern, efficient human resources information and payroll system (HRIS) for MMA employees to streamline payroll, improve data accuracy, and enhance employee development and performance management. These efforts improved the employee experience and allowed managers to link employee objectives to company goals and monitor progress, helping to keep the workforce focused on and aligned with the 2023-26 Strategic Plan.

As a Victorian Government agency, MMA's employees participate in the anonymous People Matter Survey. The survey is an annual employee engagement survey created by the Victorian Public Sector Commission. It asks for employee experiences about workplace aspects, including job satisfaction, career development, wellbeing, and diversity and inclusion. The MMA takes the findings of this survey seriously and has included an indicator target of 80 per cent satisfaction score in its 2023-26 Strategic Plan. In the 2023-24 financial year, the MMA received an overall satisfaction score of 76 per cent on the People Matter Survey, just below its target. However, this figure exceeds the public sector average and the MMA's comparator group.

Survey results showed that the MMA's areas of strength were employee engagement, providing a physically safe work environment and effective collaboration. There was also a major increase in employee confidence in the senior leadership team, with efforts to address concerns raised in the previous survey appreciated by employees.

Progress towards Goal 3

Indicator	2023-24
• Zero significant workplace incidents	X
• 75 per cent market users' satisfaction score on survey by 2025	✓
• 80 per cent satisfaction on employee engagement survey	X

PORTFOLIO PERFORMANCE REPORTING – FINANCIAL

Budget portfolio outcomes

The budget outcomes compare the actual financial statements with the forecast financial information (initial budget estimates). They comprise 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	2023-24	2022-23	2021-22	2020-21	2019-20
Total revenue	33,554	31,551	29,004	28,069	24,073
Total operating expenditure	(27,710)	(26,200)	(25,693)	(24,602)	(22,628)
Net profit before income tax & depreciation	5,844	5,351	3,311	3,467	1,445
Depreciation charge	(14,233)	(14,007)	(13,861)	(13,608)	(13,872)
Net result from transactions	(8,389)	(8,656)	(10,550)	(10,141)	(12,427)
Net result for the period	(8,363)	(8,637)	(10,556)	(10,145)	(12,431)
Net cash flow from operating activities	6,246	6,258	3,052	8,151	(1,584)
Total assets	518,701	479,103	480,506	487,095	505,265
Total liabilities	31,880	33,084	33,709	29,742	25,777

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 \$5.8 million for the 2023-24 financial year and had net cash inflow from operating activities of \$6.2 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 6.35 per cent on the prior period and total expenses from transactions have increased by 5.7 per cent.

Other operating expenses that relate mainly to repairs and maintenance conducted to ensure the site is held to a high standard represent 42 per cent of total expenses from transactions and the net result from transactions is consistent year on year.

Financial position – balance sheet

Net assets increased by \$40.8 million over the year to \$486.8 million; \$49.1 million related to the desktop managerial revaluation of specialised buildings, partially offset by \$14.2 million of depreciation of specialised buildings, and \$5.7 million in other items.

Cash flows

Cash balances increased by \$4 million during the period to \$28.9 million at date of reporting. The increase was due to cash inflows from operations of \$6.2 million which was offset with associated capital loan repayments of \$1.8 million and capital purchases of \$0.4 million.

Capital projects/asset investment programs

No capital projects of \$10 million or greater total estimated investment were completed during the 2023-24 financial year.

Subsequent events

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

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	<p>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 and again re-appointed until 25 August 2025.</p> <p>Peter is a member of the MMA Finance, Audit & Risk Management Committee and Chair of the MMA Remuneration Committee.</p> <p>Peter has attended nine out of nine Board meetings.</p>	<p>Peter is a fifth-generation grain, wool, and prime lamb producer. His experience in freight and logistics has seen him appointed as the Chair of the Victorian Rail Freight Working Group, Director of the Victorian Ports Corporation (Melbourne), and member of the Ministerial Freight Advisory Council. He continues to represent the interests of farmers as the Rural Assistance Commissioner.</p> <p>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 National Farmers Federation (NFF) board from 2012 to 2016 and served on its Economics committee.</p>
Sue Friend	<p>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. Sue was then re-appointed until 25 August 2025.</p> <p>Sue is a member of the MMA Remuneration Committee, Chair of the MMA Finance, Audit & Risk Management Committee and a member of the Fruit and Vegetable Wholesale Advisory Committee.</p> <p>Sue has attended nine out of nine Board meetings.</p>	<p>Sue is a chartered accountant and an experienced board director.</p> <p>Sue is a Director of Sapere Research Group, where she provides accounting advice and business valuations to corporate, regulatory and legal clients.</p> <p>Sue also holds various public sector roles. She is currently an independent member of the Courts Council, the governing body of Court Services Victoria (CSV). Sue also chairs CSV's Audit and Risk Committee and is an independent member of the Bureau of Meteorology Audit Committee.</p> <p>Sue was previously a director of Yarra Valley Water and South Gippsland Water.</p>
Dr Hermione Parsons	<p>Commenced as a Board member on 7 September 2021 and was appointed until 7 September 2024. Since Hermione's appointment, she has also been a member of the MMA Finance, Audit and Risk Management Committee and the Growers Advisory Committee.</p> <p>Hermione has attended eight out of nine Board meetings.</p>	<p>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.</p> <p>She is currently CEO and Managing Director of the Australian Logistics Council (ALC). Previously, Hermione was a Board Member of Food Innovation Australia Ltd (FIAL—the Australian 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>Hermione was the director and founder of the Centre for Supply Chain and Logistics at Deakin University (previously at Victoria University) and is recognised by B2Global Consulting as one of the 100 Most Influential Women in Supply Chain – Global Women SC Leaders 2021.</p>

<p>Angie Bradbury</p>	<p>Commenced as a Board member on 18 September 2022 and was appointed until 25 August 2025. Angie is a member of the MMA Remuneration Committee and Retailers Advisory Committee.</p> <p>Angie has attended seven out of nine Board meetings.</p>	<p>Angie is a highly respected and sought-after marketing strategist with two decades working with leading brands in drinks & hospitality, retail & automotive, tourism & agriculture.</p> <p>Angie was the Founder and Managing Director of several leading marketing and communications agencies and is now an independent consultant. Angie is the immediate past chair of Wine Victoria and, in 2019, was awarded Woman of Inspiration for the Australian Women in Wine Awards. She has played a lead role in the development of the Diversity and Equality in Wine Charter. She is a regular guest speaker, keynote presenter and agitator on issues right across the sector.</p> <p>Angie consults on a wide range of business challenges, including the development of corporate strategy, marketing, communications, brand strategy, issues management, and stakeholder engagement.</p>
<p>Margaret Burdeu</p>	<p>Commenced as a Board member on 18 September 2022 and was appointed until 25 August 2025. Margaret is also a member of the MMA Finance, Audit and Risk Management Committee and Flower Market Advisory Committee.</p> <p>Margaret has attended eight out of nine Board meetings.</p>	<p>Margaret is the Deputy Chancellor of La Trobe University, on the Victorian Board of the Nursing and Midwifery Board of Australia and Deputy Chair of Melbourne Health's Community Advisory Committee. She is passionate about building organisations and regional partnerships that enable social and economic opportunity and has a strong interest in the development of the North of Melbourne.</p> <p>Margaret has considerable experience in occupational health and safety, not-for-profit boards, and Government stakeholder relations and has worked in food industry regulation and training.</p>

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
Sue Friend (Chair)	✓	February 2016 – August 2025	4	4
Dr Hermione Parsons	✓	September 2021 – September 2024	4	4
Margaret Burdeu	✓	September 2022 – August 2025	4	4
Peter Tuohey	✓	January 2017 – August 2025	4	4

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.

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

The Committee meets at least once per year. Special meetings may be convened if committee members consider it is necessary and with the approval of the Committee Chairperson.

Name	Independent	Term	Meetings Attended	Eligible to attend
Peter Tuohey (Chair)	✓	January 2017 – August 2025	1	1
Angie Bradbury	✓	September 2022 – August 2025	1	1
Sue Friend	✓	February 2016 – August 2025	1	1
Dr Hermione Parsons	✓	September 2021 – September 2024	1	1
Margaret Burdeu	✓	September 2022 – August 2025	1	1

Audit

RSD Audit, as a service provider for the Victorian Auditor-General, was contracted to undertake annual financial audit services during 2023-24.

HLB Mann Judd (Vic) Partnership - are contracted for a 3-year period for internal audit consulting.

Organisational Chart as of 30 June 2024



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
Vince Cidoni (Chair)	March 2019 – March 2022 & reappointed to March 2025	3	3
Dianne Templeton	March 2019 – March 2022 & reappointed to March 2025	2	3
Michael Pavlou	March 2022 – March 2025	1	3
Ilayda Kaplan	March 2022 – March 2025	2	3
George Ambatzidis	March 2022 – March 2025	2	3
Margaret Burdeu (Board representative)	September 2022 – August 2025	1	3

Fruit and Vegetable Wholesalers Advisory Committee	Term	Meetings attended	Eligible to attend
Adrian Antonello (Chair)	March 2022 – March 2025	3	3
Brett Collins	March 2019 – March 2022 & reappointed to March 2025	2	3
Thanh Truong	March 2019 – March 2022 & reappointed to March 2025	2	3
Michael Granieri	March 2022 – March 2025	2	3
Jason Cooper	May 2021 – March 2022 & reappointed to March 2025	3	3
Sue Friend (Board representative)	August 2022 – August 2025	1	3

Retailers Advisory Committee	Term	Meetings attended	Eligible to attend
Dean Lamb (Chair)	March 2019 – March 2022 & reappointed to March 2025	2	3
Graham Gee	March 2019 – March 2022 & reappointed to March 2025	3	3
Desmond Hopwood	June 2021 – March 2022 & reappointed to March 2025	2	3
Andrew Sculli	March 2022 – March 2025	2	3
Kara Maisano	March 2022 – March 2025	1	3
Angie Bradbury (Board representative)	September 2022 – August 2025	2	3

Growers Advisory Committee	Term	Meetings attended	Eligible to attend
Nicholas Patsuris (Chair)	March 2019 – March 2022 & reappointed to March 2025	3	3
Anthony Pignataro	March 2019 – March 2022 & reappointed to March 2025	3	3
Vince Doria	March 2019 – March 2022 & reappointed to March 2025	2	3
Ricky Mazaris	March 2019 – March 2022 & reappointed to March 2025	3	3
Frank Attana	March 2022 – March 2025	1	3
Dr Hermione Parsons (Board representative)	September 2021 – September 2024	0	3

Occupational health and safety

The MMA has identified safety as part of its primary goals in its 2023-26 Strategic Plan. The MMA strives to provide a safe and healthy workplace for those who work within the market and maintain occupational health and safety (OH&S) standards with ongoing improvements.

The previous facility manager (Plenary Facility Management) held the AS/NZS 4801:2001 Occupational Health and Safety Management System certification for the Epping Market site. Since the contract expired, the certification has lapsed. MMA's new Facility Manager, BGIS, is developing the management system and will apply for AS/NZS 4801:2001 Occupational Health and Safety Management System certification for the Epping Market site in the next reporting period. This certification assists the MMA in establishing and maintaining a management system to improve the workplace health and safety of its employees and 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 its ISO 9001:2015-certified Quality Management System. This System helps ensure Workplace Health and Safety are incorporated into the overall management activities and systems.

The MMA has an OH&S policy outlining its commitment to a safe culture and practices that provide 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, buyers and visitors are paramount to the MMA.

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

The MMA's existing health and wellbeing program continues to help staff create a safe, supportive, and effective workplace for employees. Throughout the reporting period, MMA staff were offered training in holiday stress management, culture and team building, the 2023-26 MMA Strategic Plan, market survey results, engagement survey results, cyber security and property. The Employee Assistance Program, management support, and other initiatives continued to promote well-being and stress management.

OHS incidents (MMA staff)

Description	2023-24	2022-23	2021-22
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.

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 of the previous reporting period (2023).

On 30 June 2024, the MMA employed 29 staff (24.7 full-time equivalent) compared to 25 staff (23.6 full-time equivalent) on 30 June 2023.

All employees, except executives, are covered by the MMA Enterprise Agreement 2021.

Employees have been correctly classified in workforce data collections.

<i>Classification</i>	2023-24		2022-23	
	<i>Number (headcount)</i>	<i>FTE</i>	<i>Number (headcount)</i>	<i>FTE</i>
VPS 1-6 grades	24	19.8	21	19.6
VPS 1	1	0.6	0	0
VPS 2	3	3.0	2	2
VPS 3	7	5.8	8	7.4
VPS 4	3	3	3	3
VPS 5	6	4.8	2	1.8
VPS 6	4	2.6	6	5.4
Senior employees	5	4.9	4	4
STS	1	0.9	0	0
Executives	4	4.0	4	4
Total employees	29	24.7	25	23.6

Note:

- All figures reflect employment levels during the last full pay period in June of each year.
- Excluded from workforce data include: employees on leave without pay or absent on secondment, graduates, external contractors/consultants and temporary staff employed by employment agencies.
- FTE: Full Time Equivalent. STS: Senior Technical Specialist. VPS: Victorian Public Sector.

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

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.

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160 000						
\$160 000 - \$179 000		1				
\$180 000 - \$199 000	2					
\$200 000 - \$219 999						
\$220 000 - \$239 999						
\$240 000 - \$259 999						
\$260 000 - \$279 999						
\$280 000 - \$299 999	1					
Total	3	1	0	0	0	0

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

There is one employee employed on a part-time basis at 0.9 FTE rate.

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 2024:

- 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	3	0	2	0	1	0	0	0
Total	3	0	2	0	1	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

		2024	2023
	Executives (Financial Statement Note 8.4)	4	5
	Accountable Officer (Secretary)	1	1
Less	Separations	1	2
	Total executive numbers at 30 June	4	4

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 MMA is required to apply the Local Job First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide 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 Commenced – Local Jobs First Standard

During 2023–24, the MMA commenced one Local Jobs First Standard project, totaling \$18 million. This project is a state-wide project with an undetermined local content requirement. The MPSG percentage for this project is 0.84%.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided, were as follows:

- 100% of local content commitment was made;
- a total of 322.84 jobs (annualised employee equivalent (AEE)) were committed, including the creation of 285.57 new jobs and the retention of 37.28 existing jobs (AEE);

There were no small to medium-sized businesses engaged through the supply chain on these projects.

Reporting requirements – all projects

The MMA has no ongoing contracts that commenced prior to 15 August 2018, for which a VIPP Plan or LIDP was not required, as the procurement activity was local by nature.

Reporting requirements – grants

For 2023-24, no grants were provided.

Government Advertising Expenditure

The MMA's government campaign expenditure in the 2023-24 reporting period did not exceed \$100,000.

Reporting requirements – procurement complaints

For 2023-24, no procurement complaints were received.

Consultancy Expenditure

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

In 2023-24, there were 18 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023-24 in relation to these consultancies is \$1,108,563 (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 2023-24 (excl. GST)</i>	<i>Future expenditure (excl. GST)</i>
52877 – Luminaire Solutions Pty Ltd	Tender Facilities Management	Aug-23	Jun-24	242,320	242,320	Nil
40534 – RP infrastructure Pty Ltd	Project Management services	Ongoing	Ongoing	235,106	235,106	Ongoing
52947 – Little Big Marketing	Marketing and PR Consulting and Creative	Ongoing	Ongoing	105,142	105,142	Ongoing
51845 – WHITWORTH, FIONA	Strategic project	Ongoing	Ongoing	88,941	88,941	Ongoing
26395 – S AJITKUMAR & Others	Legal advisory services	Ongoing	Ongoing	80,671	80,671	
07955 – MJP Consulting Services	Drug and Alcohol Testing	Ongoing	Ongoing	66,459	66,459	Ongoing
52170 – Kingfisher Recruitment Pty Ltd	Employment recruitment services	Oct-23	May-24	47,535	47,535	Nil
53939 – HLB Mann Judd (Vic) Pty Ltd	Internal Audit Services	Feb-24	Ongoing	39,902	39,902	Ongoing
52413 – SHOWPONY MELBOURNE PTY LTD	Advice on culture program	Mar-24	Mar-24	36,730	36,730	Ongoing
53601 – Mahlab Recruitment Units	Recruitment Services	Apr-24	May-24	30,600	30,600	Nil
52458 – Baker, Elizabeth Maree	Executive Training	Jul-23	Jun-24	20,300	20,300	Nil
52924 – Creed, Carolyn Claire	Schools Program	Sep-23	Jun-24	20,071	20,071	Ongoing
53679 – Otway Lawley Consulting Pty Ltd	Strategic Project	Apr-24	Jun-24	19,920	19,920	Ongoing
40555 – RUSSELL KENNEDY	Legal advisory services	Sep-23	Sep-23	18,087	18,087	Nil
52612 – Expert360 Pty Ltd	Strategy Consultant	Aug-23	Aug-23	16,000	16,000	Nil
40515 – P.A SALEM & A.S WHITE	Legal advisory services	Sep-23	Mar-24	15,020	15,020	Nil
40494 – Six Degrees Executive Pty Ltd	Recruitment services	Jan-24	Jan-24	13,820	13,820	
53711 – SGS Economics and Planning Pty Ltd	Fresh Food Supply Mapping	May-24	Ongoing	11,940	11,940	

Details of consultancies under \$10,000

In 2023-24, there were 27 consultancies engaged during the year, where the total fee payable to the individual consultancies was less than \$10,000. The total expenditure during 2023-24 in relation to these consultancies was \$103,691 (ex. GST).

Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure

For the 2023-24 reporting period, the MMA had a total ICT expenditure of \$1,424,073.73 with the details shown below.

ICT expenditure		(\$)	
<i>All operational ICT expenditure</i>		<i>ITC expenditure related to projects to create or enhance ICT capabilities</i>	
Business As Usual (BAU) ICT expenditure	Non-Business As Usual (Non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
844,294	579,779	87,196	492,582

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 awarded the Facilities Management Contract during the year which was more than \$10 million.

Freedom of Information

The *Freedom of Information Act* 1982 (the Act) 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, films, microfiche, photographs, computer printouts, computer discs, tape recordings 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 the MMA in confidence.

Under the Act, the Freedom of Information (FOI) processing time for requests received is 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

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

FoI requests can be lodged online at www.foi.vic.gov.au. An application fee of \$32.70 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 FoI 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 Officer (Att: Chief Legal & Commercial Officer)
Melbourne Market Authority
Level 1, 55 Produce Drive
Epping VIC 3076

FoI statistics/timeliness

During 2023-2024 the MMA received 1 formal FOI application

Of these requests,

0 were from Members of Parliament;

0 from the media; and

the remainder were from the general public.

The MMA made 1 FOI decision during the 12 months ended 30 June 2023.

1 decision was made within the statutory 30-day time period;

0 decision within an extended statutory 30–45-day time period;

0 decisions within 46 to 90 days; and

0 decisions in greater than 90 days.

The average time taken to finalise requests in 2023–24 was 27 days..

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and Freedom of Information – Office of the Victorian Information Commissioner (<https://ovic.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 BGIS 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 2023-24:

Number of major works projects undertaken (>\$50 000)	0 - MMA works
Number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned	0 - MMA works - Building Permits 1 - Tenant works - Building Permits 0 - Certificate of Occupancy 0 - MMA works - Certificates of Final Inspection 2 - 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	0 - 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* (PID Act) enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body.

The MMA is a public body for the purposes of the PID Act and the MMA's Board members and staff are public officers under the Act.

A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body. 'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption. 'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

A person can make a public interest disclosure about the MMA or its Board members, officers or employees by contacting IBAC (details below).

The MMA is not able to receive public interest disclosures.

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 Victoria 3000.

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001; P: 1300 735 135

Internet: www.ibac.vic.gov.au

Email: A secure email disclosure process is available on IBAC's website.

Disclosure of Emergency Procurement

The date of emergency procurement activation was in the previous financial year, however the spend was incurred in this reporting period.

<i>Nature of Emergency</i>	<i>Date of activation</i>	<i>Summary of goods and services procured under new contracts</i>	<i>Total spend on goods and services in response to the emergency</i>	<i>Number of new contracts awarded valued at \$100 000 (incl. GST) or more</i>
Secure Fire Damaged EFS2 Building	26/06/2023	Make safe and support structure for fire damaged EFS2 building by engaging builder with agreed hourly rates.	\$20,210.22	0
Total			\$20,210.22	0

Environmental Reporting

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 2045.

Greenhouse gas emissions

The MMA reports its greenhouse gas emissions broken down into emissions 'scopes' consistent with national and international reporting standards. Scope 1 emissions are from sources that the MMA owns or controls, such as the use of gas and diesel for stationary buildings and machinery and transportation. Scope 2 emissions are indirect emissions from the MMA's use of electricity from the grid, which still uses coal and gas-fired power generation.

<i>Indicator</i>	<i>2022-23</i>	<i>2023-24</i>
G1: Total scope one (direct) greenhouse gas emissions (tonnes CO₂, CH₄, N₂O other and CO₂e)	122	103.80
Total carbon dioxide (CO₂)	121	103.50
Total other	1.00	0.00
F2, greenhouse gas emissions from stationary fuel consumption segmented	121.00	102.70
T3, greenhouse gas emissions from vehicle fleet segmented by fuel type	1.00	1.10
Fugitive emissions from refrigeration and air conditioning	0.00	0.00
G2: Total scope two (indirect electricity) greenhouse gas emissions (tonnes CO₂e)	5,300	2,631

Electricity production and consumption

Electricity consumption on site decreased by 8.2 per cent for the reporting period. This decrease can be attributed to the connection of the solar panel system.

<i>Indicator</i>	<i>2022-23</i>	<i>2023-24</i>
Total electricity consumption segmented by source (MWh)	7,450	6,841
Purchased electricity (MWh)	7,260	4,008
Self-generated (MWh)	190	2,832
On-site electricity generated segmented by usage and source (MWh)		
Consumption behind-the-meter		
Solar PV	190	2,832
On-site installed generation capacity segmented by source (MW)		
Solar PV	2.4	2.4

Stationary fuel use

Sources of emissions from stationary fuel include natural gas and diesel used in buildings, commercial refrigeration and back up generators. The MMA collected data through billing information and fuel suppliers.

<i>Indicator</i>	<i>2022-23</i>	<i>2023-24</i>
Total fuels used in buildings and machinery (MJ)	2,315,859	1,942,888
Buildings		
Natural gas	2,246,332	1,896,731
Machinery		
Diesel	69,527	4,796
Greenhouse gas emissions from stationary fuel consumption	120.6	99.9
Natural gas	115.8	91.77
Diesel	4.9	8.13

Transportation

The MMA has one off-road vehicle that is essential to the market's operations.

<i>Indicator</i>	<i>2022-23</i>	<i>2023-24</i>
Total energy used in transportation within the Entity	8,201	18,000
Non-road vehicles	8,201	18,000
LPG	8,201	18,000

<i>Indicator</i>	<i>2022-23</i>	<i>%</i>	<i>2023-24</i>	<i>%</i>
Number and proportion of vehicles	1	100	1	100
Non-road vehicles	1	100	1	100
Internal combustion engines	1	100	1	100
LPG	1	100	1	100

<i>Indicator</i>	<i>2022-23</i>	<i>2023-24</i>
Greenhouse gas emissions from vehicle fleet	1.09	1.09
Non-road vehicles	1	1
LPG	1	1

Total energy use

The Market's use of renewable energy increased 2023-24 as this was the first full reporting period that the solar panel system was connected.

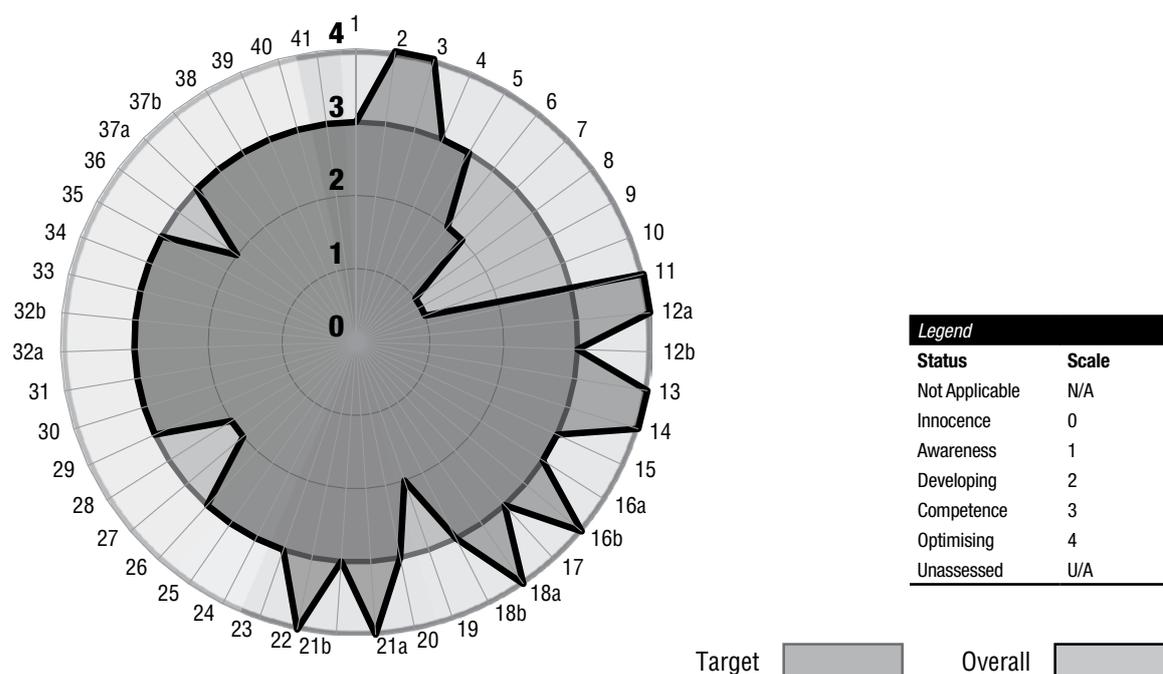
<i>Indicator</i>	<i>2022-23</i>	<i>2023-24</i>
Total energy usage from fuels (MJ)	2,324,059	1,960,888
Total energy used from electricity (MJ)	26,820,815	24,624,000
Total energy used segmented into renewable and non-renewable sources (MJ)	29,144,874	26,584,888
Renewable	5,544,298	12,930,900
Non-renewable	23,600,606	13,653,988

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	2020-21	2021-22	2022-23	2023-24
MMA Target Maturity	149	152	152	152
MMA Overall Assessment	142	148	148	150



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:

Chief Legal & Commercial Officer
Melbourne Market Authority
(03) 9258 6100
info@melbournemarket.com.au

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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
24 September 2024

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.

<i>Legislation</i>	<i>Requirement</i>	<i>Page reference</i>
<i>Ministerial Directions and Financial Reporting Directions</i>		
<i>Report of operations</i>		
Charter and purpose		
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Declaration

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Other disclosures as required by FRDs in notes to the financial statements ^(a)

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FRD 21	Disclosure of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	79
FRD 103	Non-Financial Physical Assets	79
FRD 110	Cash Flow Statements	43
FRD 112	Defined Benefit Superannuation Obligations	52
FRD 114	Financial Instruments - general government entities and public non-financial corporations	64

Note:

(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

Legislation

<i>Freedom of Information Act 1982 (Vic) (FOI Act)</i>	25
<i>Building Act 1993</i>	26
<i>Public Interest Disclosure Act 2012</i>	27
<i>Local Jobs Act 2003</i>	23
<i>Financial Management Act 1994</i>	33

MELBOURNE MARKET AUTHORITY

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 2024 in the following structure to provide users with the information about the MMA's stewardship of resources entrusted to it.

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MELBOURNE MARKET AUTHORITY

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 2024 and financial position of the MMA at 30 June 2024.

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 24 September 2024.



P Tuohey
Chairperson

Melbourne
24 September 2024



M Maskiell
Chief Executive Officer

Melbourne
24 September 2024



L Short
Chief Financial Officer

Melbourne
24 September 2024

Independent Auditor's Report

To the Board 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 2024 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 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
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>
Other information	<p>The Board of the authority is responsible for the Other Information included in the authority's Annual Report for the year ended 30 June 2024, which comprises the information in the report of operations, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information. Accordingly, I do not express any form of assurance conclusion on the Other Information.</p> <p>In connection with my audit of the financial report, my responsibility is to read the Other Information when it becomes available and, in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is 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 Board 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 Board is 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

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board'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.

I communicate with the Board 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.

MELBOURNE
26 September 2024



Paul Martin
as delegate for the Auditor-General of Victoria

MELBOURNE MARKET AUTHORITY

Comprehensive operating statement^(a)

For the financial year ended 30 June 2024		(\$ thousand)	
	Notes	2024	2023
Continuing operations			
Revenue and income from transactions			
Interest	2.2.1	956	620
Sale of goods and services	2.2.2	6,122	6,042
Rental income	2.2.3	26,476	24,889
Total revenue and income from transactions		33,554	31,551
Expenses from transactions			
Employee expenses	3.1.1	(4,203)	(3,920)
Depreciation	4.1.1	(14,233)	(14,007)
Interest expense	6.1	(962)	(1,016)
Other operating expenses	3.2	(22,545)	(21,264)
Total expenses from transactions		(41,943)	(40,207)
Net result from transactions (net operating balance)		(8,389)	(8,656)
Other economic flows included in net result			
Net gain on non-financial assets ^(b)		25	18
Other gains from other economic flows		1	1
Total other economic flows included in net result		26	19
Net result		(8,363)	(8,637)
Other economic flows - other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.2	49,165	7,859
Total other economic flows - other comprehensive income		49,165	7,859
Comprehensive result		40,802	(778)

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 2024		(\$ thousand)	
	Notes	2024	2023
Assets			
Financial assets			
Cash and deposits	6.2	28,986	24,949
Receivables	5.1	2,016	1,759
Total financial assets		31,002	26,708
Non-financial assets			
Property, plant & equipment	4.1	486,883	451,493
Intangible assets		12	37
Other non-financial assets		804	865
Total non-financial assets		487,699	452,395
Total assets		518,701	479,103
Liabilities			
Payables	5.2	10,596	9,914
Borrowings	6.1	20,578	22,379
Employee related provisions	3.1.2	706	791
Total liabilities		31,880	33,084
Net assets		486,821	446,019
Equity			
Accumulated surplus/(deficit)		90,047	98,410
Physical asset revaluation surplus	8.2	182,967	133,802
Contributed capital		213,807	213,807
Net worth		486,821	446,019

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 2024		(\$ thousand)	
	Notes	2024	2023
Cash flows from operating activities			
Receipts			
Receipts from customers		31,043	30,759
Interest received		938	561
Other receipts		274	399
Total receipts		32,255	31,719
Payments			
Payments to suppliers and employees		(23,804)	(23,666)
Goods and Services Tax paid to the ATO ^(b)		(1,243)	(779)
Interest and other costs of finance paid		(962)	(1,016)
Total payments		(26,009)	(25,461)
Net cash flows from operating activities	6.2.1	6,246	6,258
Cash flows from investing activities			
Purchases of non-financial assets		(1,039)	(1,562)
Sale of non-financial assets		631	212
Net cash flows (used in) investing activities		(408)	(1,350)
Cash flows from financing activities			
Repayment of borrowings		(1,801)	(1,792)
Net cash flows (used in) financing activities		(1,801)	(1,792)
Net increase in cash and cash equivalents		4,037	3,116
Cash at the beginning of the financial year		24,949	21,833
Cash and cash equivalents at the end of the financial year	6.2	28,986	24,949

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 2024

(\$ thousand)

	Notes	Physical asset revaluation surplus	Accumulated surplus	Contributed capital	Total
Balance at 30 June 2022		125,943	107,047	213,807	446,797
Balance at 1 July 2022		125,943	107,047	213,807	446,797
Net result for the year		-	(8,637)	-	(8,637)
Other Comprehensive income for the year		7,859	-	-	7,859
Balance at 30 June 2023		133,802	98,410	213,807	446,019
Balance at 1 July 2023		133,802	98,410	213,807	446,019
Net result for the year		-	(8,363)	-	-
Other Comprehensive income for the year	8.2	49,165	-	-	-
Balance at 30 June 2024		182,967	90,047	213,807	486,821

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

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

Land and buildings fair value

In compliance with FRD 103, 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. A managerial valuation was required as at 30 June 2023 for land only due to the cumulative VGV land indices being greater than 10 per cent increase but less than 40 per cent since the last formal revaluation at 30 June 2021. A managerial valuation was required as at 30 June 2024 for buildings only due to the cumulative VGV metropolitan commercial building cost indices being greater than 10 per cent but less than 40 per cent since the last formal revaluation at 30 June 2021.

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.

MELBOURNE MARKET AUTHORITY

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	2024	2023
Interest income	2.2.1	956	620
Sale of goods and services	2.2.2	6,122	6,042
Rental income	2.2.3	26,476	24,889
Total revenue and income from transactions		33,554	31,551

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 INCOME FROM TRANSACTIONS

2.2.1 INTEREST INCOME

	(\$ thousand)	
	2024	2023
Interest from financial assets not at fair value through profit and loss		
Interest on bank deposits	952	614
Other miscellaneous interest income	4	6
Total interest from financial assets not at fair value through profit and loss	956	620

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

Other miscellaneous income relates to a loan receivable from a third party at a fixed rate of 2.75 per cent over 5 years.

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2.2.2 SALE OF GOODS AND SERVICES

	(\$ thousand)	
	2024	2023
Sale of goods	1,925	1,809
Rendering of services	634	667
Parking income	3,563	3,566
Total revenue from sales of goods and services	6,122	6,042

The sale of goods and services 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 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

2.2.3 RENTAL INCOME

	(\$ thousand)	
	2024	2023
Rental income		
Fruit and vegetable trading stands	3,312	3,224
Wholesale stores and warehouses	13,446	12,559
Flower trading stands	1,952	1,800
Other commercial rents	7,766	7,306
Total rental income	26,476	24,889

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)	
	2024	2023
Non-cancellable operating lease receivables		
Not longer than one year	12,600	12,172
Longer than one year but not longer than five years	5,885	6,932
Longer than five years	91	348
Total	18,576	19,452

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)	
	<i>Notes</i>	<i>2024</i>	<i>2023</i>
Employee benefit expenses	3.1.1	4,203	3,920
Other operating expenses	3.2	22,545	21,264
Total expenses incurred in delivery of services		26,748	25,184

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)	
	<i>2024</i>	<i>2023</i>
Defined contribution superannuation expense	367	340
Salaries and wages, annual leave and long service leave	3,804	3,580
Termination benefits	32	-
Total employee expenses	4,203	3,920

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).

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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)	
	2024	2023
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	159	163
Unconditional and expected to settle after 12 months	86	133
Long service leave		
Unconditional and expected to settle within 12 months	11	76
Unconditional and expected to settle after 12 months	207	174
Provisions for on-costs		
Unconditional and expected to settle within 12 months	28	38
Unconditional and expected to settle after 12 months	49	48
Total current provisions for employee benefits	540	632
Non-current provisions:		
Employee benefits	142	137
On-costs	24	22
Total non-current provisions for employee benefits	166	159
Total provisions for employee benefits	706	791

Reconciliation of movement in on-cost provision

	(\$ thousand)
	2024
Opening balance	
Additional provisions recognised	48
Reductions arising from payment/other sacrifices of future economic benefits	(40)
Closing balance	8
Current	77
Non-current	24

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
- 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)			
	<i>Paid contribution for the year</i>		<i>Contribution outstanding at year end</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Defined contribution plans				
Various Super Plans	367	340	-	27
Total	367	340	0	27

MELBOURNE MARKET AUTHORITY

3.2 OTHER OPERATING EXPENSES

	(\$ thousand)	
	2024	2023
Supplies and services		
Market operations	5,389	4,991
Repairs and maintenance	2,993	3,303
Fuels, rates and taxes	5,536	5,290
Marketing and media	822	597
Audit and insurance	1,125	907
Professional services	4,700	4,289
Other	1,908	1,839
Bad and doubtful debts from transactions	64	40
Ex-gratia expense	8	8
Total other operating expenses	22,545	21,264

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.

MELBOURNE MARKET AUTHORITY

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

4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT(a)

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024	2023	2024	2023	2024	2023
Land at fair value	58,559	58,559	-	-	58,559	58,559
Buildings at fair value	426,312	404,402	-	(13,675)	426,312	390,727
Capital works in progress	1,074	1,506	-	-	1,074	1,506
Plant, equipment and vehicles at fair value						
- Market equipment	984	858	(765)	(721)	219	137
- Motor vehicles	638	423	(317)	(264)	321	159
- Computer equipment	1,725	1,475	(1,349)	(1,091)	376	384
- Office plant and equipment	118	108	(96)	(87)	22	21
Net carrying amount	489,410	467,331	(2,527)	(15,838)	486,883	451,493

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.

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4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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. The 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.

4.1.1 DEPRECIATION AND AMORTISATION

Charge for the period	(\$ thousand)		
	Notes	2024	2023
Buildings		13,844	13,675
Market equipment		44	40
Motor Vehicles		53	53
Computer equipment		258	199
Office plant and equipment		9	9
Computer software		25	31
Total depreciation and amortisation		14,233	14,007

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:

MELBOURNE MARKET AUTHORITY

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.

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

	(\$ thousand)															
	Land at fair value		Buildings		Market Equip.		Motor Vehicles		Computer Equip.		Office Plant & Equip.		Works In Progress		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	58,559	50,700	390,727	400,691	137	64	159	149	384	273	21	24	1,506	4,365	451,493	456,266
Additions	-	-	-	14	125	165	325	202	251	313	10	6	328	838	1,039	1,538
Disposals	-	-	-	-	(3)	(52)	(112)	(139)	(1)	(3)	-	-	(491)	-	(607)	(194)
Transfer in/out of assets under construction	-	-	264	3,697	3	-	2	-	-	-	-	-	(269)	(3,697)	-	-
Revaluation of PPE	-	7,859	49,165	-	-	-	-	-	-	-	-	-	-	-	49,165	7,859
Depreciation	-	-	(13,844)	(13,675)	(44)	(40)	(53)	(53)	(258)	(199)	(9)	(9)	-	-	(14,208)	(13,976)
Closing balance	58,599	58,559	426,312	390,727	218	137	321	159	376	384	22	21	1,074	1,506	486,882	451,493

Note:

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

In 2024, a management fair value assessment was performed for Specialised Building based on the movement advised in the VGV metropolitan commercial industrial building cost indices.

In 2023, a management fair value assessment was performed for Land based on movement advised in VGV land indices. All other asset classes were reviewed and the decision was made that movements were not material (less than or equal to 10 per cent) for full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2026.

MELBOURNE MARKET AUTHORITY

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)	
	2024	2023
Contractual		
Rental revenue	1,809	1,565
Allowance for impairment losses of contractual receivables	(56)	(56)
Loan to third party	109	176
Accrued investment income	91	73
Statutory		
Amount owing from Victorian Government	63	1
Total receivables	2,016	1,759
<i>Represented by</i>		
Current receivables	1,890	1,633
Non-current receivables	126	126

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)	
	2024	2023
Contractual		
Supplies and services	4,128	2,869
Interest payable	161	167
Tenant bonds and retention monies	3,602	2,957
Rentals in advance	2,546	3,588
Statutory		
FBT payable	25	24
GST Payable	49	223
Other taxes payable	85	86
Total payables	10,596	9,914
<i>Represented by:</i>		
Current payables	6,994	6,957
Non-current payables	3,602	2,957

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
- **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
2024						
Supplies and services	4,128	4,128	4,128	-	-	-
Tenant bonds and retention monies	3,602	3,602	-	-	-	3,602
Other payables	161	161	-	161	-	-
Total	7,891	7,891	4,128	161	-	3,602
2023						
Supplies and services	2,869	2,869	2,869	-	-	-
Tenant bonds and retention monies	2,957	2,957	-	-	-	2,957
Other payables	167	167	-	167	-	-
Total	5,993	5,993	2,869	167	-	2,957

Note:

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

MELBOURNE MARKET AUTHORITY

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)	
	2024	2023
Current borrowings		
Loans from TCV ^(a)	1,810	1,801
Total current borrowings	1,810	1,801
Non-current borrowings		
Loans from TCV ^(a)	18,768	20,578
Total non-current borrowings	18,768	20,578
Total borrowings	20,578	22,379

Notes

(a) These are unsecured loans with a weighted average interest rate of 4.36 per cent (2023: 3.57 per cent).

'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)						
	<i>Maturity dates</i>						
	<i>Carrying amount</i>	<i>Nominal amount</i>	<i>Less than 1 month</i>	<i>1-3 months</i>	<i>3 months - 1 year</i>	<i>1 - 5 years</i>	<i>5+ years</i>
2024							
Loans from TCV	20,578	20,578	-	904	906	7,339	11,429
Total	20,578	20,578	-	904	906	7,339	11,429
2023							
Loans from TCV	22,379	22,379	-	899	902	7,300	13,278
Total	22,379	22,379	-	899	902	7,300	13,278

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6.1 BORROWINGS (CONTINUED)

Interest expense	(\$ thousand)	
	2024	2023
Interest on government loans	780	824
Accommodation Levy	182	192
Total interest expense	962	1,016

'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)	
	2024	2023
Total cash and deposits disclosed in the balance sheet	28,986	24,949
Balance as per cash flow statement	28,986	24,949

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

	(\$ thousand)	
	2024	2023
Net result for the period	(8,363)	(8,637)
Non-cash movements		
(Gain) on sale or disposal of non-current assets	(25)	(18)
Depreciation and amortisation of non-current assets	14,233	14,007
Movements in assets and liabilities		
(Increase) in receivables	(257)	(114)
(Decrease)/increase in prepayments	61	(147)
(Decrease)/increase in provisions	(85)	52
Increase in payables	682	1,115
Net cash flows from operating activities	6,246	6,258

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6.3 FINANCING FACILITIES	(\$ thousand)	
	2024	2023
Unsecured loan facilities with various maturity dates through to 2040		
Amount used	20,578	22,379
Amount unused	7,000	7,000
Total	27,578	29,379

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

Nominal amounts 2024	(\$ thousand)			
	Less than 1 year	1-5 years	5+ years	Total
Operational expenditure commitments payable	7,444	3,895	-	11,339
Capital expenditure commitments payable	-	-	-	-
Total commitments (inclusive of GST)	7,444	3,895	-	11,339
Less GST recoverable	(677)	(354)	-	(1,031)
Total commitments (exclusive of GST)	6,767	3,541	-	10,308

Nominal amounts 2023	(\$ thousand)			
	Less than 1 year	1-5 years	5+ years	Total
Operational expenditure commitments payable	7,765	5,489	-	13,254
Capital expenditure commitments payable	333	-	-	333
Total commitments (inclusive of GST)	8,098	5,489	-	13,587
Less GST recoverable	(736)	(499)	-	(1,235)
Total commitments (exclusive of GST)	7,862	4,990	-	12,352

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)

2024	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
Contractual financial assets				
Cash and deposits	28,986	-	-	28,986
Receivables (a)				
Accrued investment income	-	91	-	91
Third Party Loan receivable	-	109	-	109
Rental income	-	147	-	147
Other receivables	-	1,753	-	1,753
Total contractual financial assets	28,986	2,100	-	31,086
Contractual financial liabilities				
Payables (a)				
Supplies and services	-	-	4,128	4,128
Tenant bonds and retention monies	-	-	3,602	3,602
Other payables	-	-	161	161
Borrowings				
Loans from TCV	-	-	20,578	20,578
Total contractual financial liabilities	-	-	28,469	28,469

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).

2023	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
Contractual financial assets				
Cash and deposits	24,949	-	-	24,949
Receivables (a)				
Accrued investment income	-	73	-	73
Third Party Loan receivable	-	177	-	177
Rental income	-	1,509	-	1,509
Total contractual financial assets	24,949	1,759	-	26,708
Contractual financial liabilities				
Payables (a)				
Supplies and services	-	-	2,869	2,869
Tenant bonds and retention monies	-	-	2,957	2,957
Other payables	-	-	167	167
Borrowings				
Loans from TCV	-	-	22,379	22,379
Total contractual financial liabilities	-	-	28,372	28,372

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)

2024	Net holding gain/(loss)	Total interest income/(expense)	Fee income/(expense)	Impairment loss	Total
Contractual financial assets					
Financial assets - at amortised cost	-	956	-	64	1,020
Total contractual financial assets	-	956	-	64	1,020
Contractual financial liabilities					
Financial liabilities at amortised cost	-	(962)	-	-	(962)
Total contractual financial liabilities	-	(962)	-	-	(962)

2023	Net holding gain/(loss)	Total interest income/(expense)	Fee income/(expense)	Impairment loss	Total
Contractual financial assets					
Financial assets - at amortised costs	-	620	-	40	660
Total contractual financial assets	-	620	-	40	660
Contractual financial liabilities					
Financial liabilities at amortised cost	-	(1,016)	-	-	(1,016)
Total contractual financial liabilities	-	(1,016)	-	-	(1,016)

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.

The 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.

The 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.

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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, cash 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 2023-24.

Credit quality of financial assets ^(a)				(\$ thousand)
2024	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	25,918	67	3,001	28,986
Statutory receivables (with no impairment recognised)	-	91	-	91
Investments & other contractual financial assets				
- Contractual receivables	-	-	1,752	1,752
- Third Party Loan receivable	-	-	109	109
Total financial assets	25,918	158	4,862	30,938

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)

2023	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	24,945	-	4	24,949
Statutory receivables (with no impairment recognised)	-	73	-	73
Investments & other contractual financial assets				
- Contractual receivables	-	-	1,509	1,509
- Third Party Loan receivable	-	-	176	176
Total financial assets	24,945	73	1,689	26,707

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.

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7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Contractual receivables at amortised cost

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 2024	<i>Current</i>	<i>Less than 1 month</i>	<i>1-3 months</i>	<i>3 months - 1 years</i>	<i>1-5 years</i>	<i>Total</i>
Expected loss rate	0%	2%	3%	56%	0%	
Gross carrying amount of contractual receivables	1,033	476	71	81	-	1,661
Loss allowance	-	10	2	45	-	57

1 July 2023	<i>Current</i>	<i>Less than 1 month</i>	<i>1-3 months</i>	<i>3 months - 1 years</i>	<i>1-5 years</i>	<i>Total</i>
Expected loss rate	0%	2%	3%	50%	0%	
Gross carrying amount of contractual receivables	994	449	29	92	-	1,564
Loss allowance	-	9	1	46	-	56

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

	<i>2024</i>	<i>2023</i>
Balance at beginning of the year	(56)	(74)
Increase in provision recognised in the net result	(57)	(56)
Reversal of provision of receivables written off during the year as uncollectable	20	49
Reversal of unused provision recognised in the net result	36	25
Balance at end of the year	(57)	(56)

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.

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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 2024 and expires on 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 68 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.

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7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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)

2024	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial Assets					
Cash and deposits	4.41%	28,986	-	25,981	3,005
Receivables (a)					
- Accrued investment income		91	-	-	91
- Third Party Loan	2.75%	109	109	-	-
- Rental income		1,752	-	-	1,752
Total financial assets		30,938	109	25,981	4,848
Financial Liabilities					
Payables (a)					
- Borrowings	4.36%	20,578	20,578	-	-
- Supplies and services		4,127	-	-	4,127
- Tenant bonds and retention monies		3,602	-	-	3,602
- Other payables		161	-	-	161
Total financial liabilities		28,468	20,578	-	7,890

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)

2023	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial Assets					
Cash and deposits	2.90%	29,949	-	24,945	4
Receivables (a)					
- Accrued investment income		73	-	-	73
- Third Party Loan	2.75%	176	176	-	-
- Rental income		1,509	-	-	1,509
Total financial assets		26,707	176	24,945	1,586
Financial Liabilities					
Payables (a)					
- Borrowings	3.57%	22,379	22,379	-	-
- Supplies and services		2,834	-	-	2,834
- Tenant bonds and retention monies		2,957	-	-	2,957
- Other payables		167	-	-	167
Total financial liabilities		28,337	22,379	-	5,958

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)

2024	Carrying amount	-50 basis points	+50 basis points
		Net result	Net result
Contractual financial assets			
Cash and deposits	25,981	(130)	130
Total impact		(130)	130
<hr/>			
2023		-50 basis points	+50 basis points
Contractual financial assets			
Cash and deposits	24,945	(125)	125
Total impact	24,945	(125)	125

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;
 - the amount of the obligations cannot be measured with sufficient reliability.

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

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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 2024 (2023: 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:

- financial assets at fair value through other comprehensive income 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 (VGV) 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)

2024	Carrying amount as at 30 June 2024	Fair value measurement at end of reporting period using		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Land at fair value				
Specialised land	58,559			58,559
Total of land at fair value	58,559			58,559
Buildings at fair value				
Specialised buildings	426,312			426,312
Total of buildings at fair value	426,312			426,312
Plant, equipment and vehicles at fair value				
Vehicles ^(b)	321			321
Plant and equipment	616			616
Total of plant, equipment and vehicles at fair value	937			937

2023	Carrying amount as at 30 June 2023	Fair value measurement at end of reporting period using		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Land at fair value				
Specialised land	58,559	-	-	58,559
Total of land at fair value	58,559	-	-	58,559
Buildings at fair value				
Specialised buildings	390,727	-	-	390,727
Total of buildings at fair value	390,727	-	-	390,727
Plant, equipment and vehicles at fair value				
Vehicles ^(b)	159	-	-	159
Plant and equipment	542	-	-	542
Total of plant, equipment and vehicles at fair value	701	-	-	701

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.

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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.

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) indices at 30 June 2024. A management revaluation was performed for Land based on the VGV land indices.

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.

A fair value assessment for buildings and improvements using the Valuer-General Victoria Building indices for the year ending 30 June 2024. A management revaluation was required as at 30 June 2024 for buildings only due to the cumulative VGV metropolitan commercial building cost indices being greater the 10 per cent but less than 40 per cent since the last formal revaluation at 30 June 2021.

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 2024.

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)

2024	Specialised Land	Specialised Buildings	Vehicles	Plant and equipment
Opening Balance	58,559	390,727	159	542
Purchases (sales)	-	-	325	386
Transfer in(out) Level 3	-	264	2	3
Disposals	-	-	(112)	(3)
Depreciation	-	(13,844)	(53)	(311)
Subtotal	58,559	(13,580)	162	75
Revaluations	-	49,165	-	-
Subtotal	-	49,165	-	-
Closing balance	58,559	426,312	321	617

2023	Specialised Land	Specialised Buildings	Vehicles	Plant and equipment
Opening Balance	50,700	400,691	149	361
Purchases (sales)	-	14	202	484
Transfer in(out) level 3	-	3,697	-	-
Disposals	-	-	(139)	(55)
Depreciation	-	(13,675)	(53)	(248)
Subtotal	50,700	(9,964)	10	181
Revaluations	7,859	-	-	-
Subtotal	7,859	-	-	-
Closing balance	58,559	390,727	159	542

Description of significant unobservable inputs to Level 3 valuations

2023 and 2024	Valuation Technique	Significant unobservable inputs
Buildings - Epping	Market approach	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.

MELBOURNE MARKET AUTHORITY

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	8.5	Related parties
8.2	Reserves	8.6	Remuneration of auditors
8.3	Responsible persons	8.7	Subsequent events
8.4	Remuneration of executives	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)

	2024	2023
Compensation for economic loss	8	8
Total ex gratia expenses ^(a)	8	8

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)

	2024	2023
Physical asset revaluation surplus ^(a)		
Balance at beginning of financial year	133,802	125,943
Revaluation Increment	49,165	7,859
Balance at end of financial year	182,967	133,802

(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. Gayle Tierney	28-Jun-2022 to 30-Sep-2023
Minister for Agriculture	The Hon. Ros Spence	01-Oct-2023 to 30-Jun-2024
Board Chairperson	Mr P Tuohy	01-Jul-2023 to 30-Jun-2024
Board Member	Ms S Friend	01-Jul-2023 to 30-Jun-2024
Board Member	Dr H Parsons	01-Jul-2023 to 30-Jun-2024
Board Member	Ms M Burdeu	01-Jul-2023 to 30-Jun-2024
Board Member	Ms A Bradbury	01-Jul-2023 to 30-Jun-2024
Chief Executive Officer	Mr M Maskiell	01-Jul-2023 to 30-Jun-2024

MELBOURNE MARKET AUTHORITY

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	2024	2023
\$10,000 to \$19,999	-	1
\$20,000 to \$29,999	4	3
\$40,000 to \$49,999	-	1
\$50,000 to \$59,999	1	-
\$390,000 to \$399,999	-	1
\$410,000 to \$419,999	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)	
<i>Remuneration of executive officers (including executives defined as Key Management Personnel (KMP) disclosed in Note 8.5)</i>	<i>Total Remuneration 2024</i>	<i>Total Remuneration 2023</i>
Short-term employee benefits	804	912
Post employment benefits	71	88
Other long-term benefits	4	7
Total remuneration (a)	879	1,007
Total number of executives	5	5
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 Syed Shahed	Chief Operating Officer
Ms Lauren Short	Chief Financial Officer
Mr Malcolm Lum	Chief Commercial and Legal Officer
Mr Peter Tuohey	Board Chairperson
Ms Susan Friend	Board Member
Dr Hermione Parsons	Board Member
Ms Margaret Burdeu	Board Member
Ms Angie Bradbury	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)	2024	2023
Short-term employee benefits	1,445	1,534
Post-employment benefits	122	140
Other long-term benefits	12	19
Total^(b)	1,579	1,693

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.

MELBOURNE MARKET AUTHORITY

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 \$254,412 (2023: \$239,495).

During the year, MMA paid the State Revenue Office \$712,090 in Land Tax of which \$675,488 is recoverable from tenants. An amount of \$16,700 was paid during the year to the Department of Environment, Land, Water and Planning for valuation services.

MMA had loans with TCV during the year. MMA paid interest and a Financial Accommodation Levy to TCV and DTF on loans with an aggregated value of \$962,045 (2023: \$1,016,824).

8.6 REMUNERATION OF AUDITORS

	(\$ thousand)	
	2024	2023
Victorian Auditor-General's Office		
Audit of financial statements	50	48
Total remuneration of auditors	50	48

8.7 SUBSEQUENT EVENTS

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 2022/23 reporting period. These accounting standards have not been applied to the MMA Financial Statements.

AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Non-for-Profit Public Sector Entities.

AASB 2022-10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, the Standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when held for sale or held for distribution to owners under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or if it is highly probable that it will be used for an alternative purpose;
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards - Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector

AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

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.

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 assets 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.

8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

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.

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.

8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

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).

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

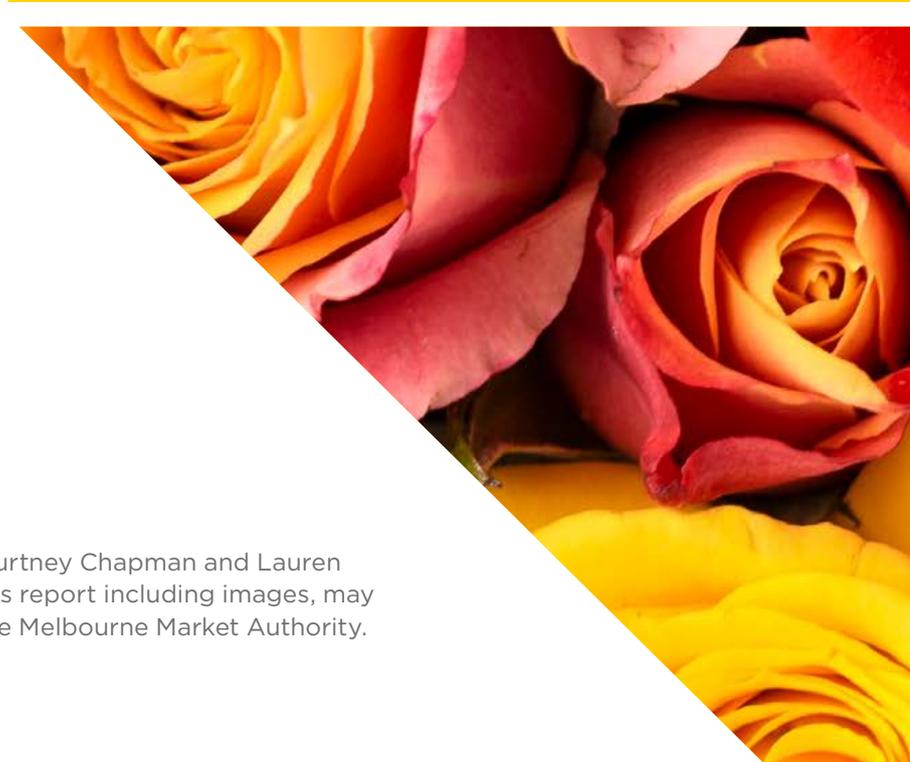
202x year

202x 0x year period

The financial statements and notes are presented based on the illustration for a government department in the *2023-24 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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Melbourne Market Authority

Box 1, 55 Produce Drive
Epping 3076, Vic, Australia

T: (03) 9258 6100 **F:** (03) 8401 4837

W: www.melbournemarket.com.au

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