

ANNUAL REPORT 2021/22

MELBOURNE
CONVENTION
BUREAU





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FOREWORD

MINISTER'S FOREWORD



Business events are the cornerstone of Victoria's visitor economy, and the Victorian Government is pleased to support the Melbourne Convention Bureau (MCB) in its ongoing work to sustain momentum across Victoria's business events sector as it rebounds from the impacts of the COVID-19 pandemic.

As Victoria's lead agency in acquiring and delivering business events, MCB has been instrumental in driving strong economic outcomes for our state and has played a significant role in reaffirming Melbourne's position as a global leader in business events and our city's reign as Australia's events capital.

Putting Melbourne forward to host conferences and incentive events is more than an investment in the tourism industry and the return that fully occupied hotel rooms bring to the economy. Importantly, the events MCB secured for the state this year will bring businesses back together to connect and collaborate while also creating trade and investment opportunities.

MCB's commitment and inclusive "Team Melbourne" approach across the year supports its ongoing efforts to boost demand, support our local supply chain, and instil confidence amongst planners and key decision-makers to choose Melbourne as their business event destination.

This is demonstrated by the strong pipeline of international and national business events secured for the state both in the immediate short and longer-term and these financial results reflect this.

We look forward to continuing the strong working relationship between the Victorian Government and MCB.

The Hon. Steve Dimopoulos

Minister for Tourism, Sport and Major Events





CHAIR'S FOREWORD

It gives me great pleasure to report that in the 2021/22 financial year Melbourne Convention Bureau (MCB) exceeded targets for securing events and economic contribution for the state. This is a considerable achievement amidst the ongoing challenges presented by the COVID-19 pandemic.

MCB has continued to cement Melbourne's reputation as a leading global business events destination and leverage its competitive position to ensure an enviable pipeline of future events and long-term certainty for Victoria's visitor economy and its business events supply chain.

This is most evident through the 110 business events secured for Victoria, an increase of 175 per cent on the previous financial year. This is a testament to the dedicated efforts of the MCB team in boosting international and national event organisers confidence to plan and book their events in Melbourne. These events will provide an estimated \$203 million in economic benefit for the state.

This success was also helped by the strength and stability afforded through the Victorian Government's investment in MCB. This investment has enabled MCB to continue business development for larger international association events while maintaining a focus on driving short term business through the National Business Events Program. The National Business Events Program focusses on attracting national business events to Victoria.

MCB continues to take a leadership role to drive the business events sector. With the announcement of international borders opening, the MCB team and partner Talk2Media and Events hosted the first international tradeshow, AIME 2022, which fuelled Victoria's business events revival. It attracted extensive international media interest and an estimated \$120 million of business events are expected to be confirmed as a direct result of the event.

On behalf of the Board of Directors I would like to thank Julia Swanson and her passionate team for achieving this year's excellent results and acknowledge the broader industry and Government partnerships for their ongoing support.



Deb Beale

Deborah Beale AM
Chair
Melbourne Convention Bureau

CEO'S FOREWORD

Seemingly it's been another year of two-halves, but this time in a better way - coming out the other side of COVID-19 pandemic-imposed restrictions, with more clarity, more certainty and lot more confidence in our much-loved Melbourne as a world-class business events destination.

We set an ambitious agenda to amplify awareness and consideration of Melbourne, reaffirming our position as a global leader in business events resulting in significant bid wins across the year and implemented innovative programs to ensure a solid calendar of events to re-open with.

The National Business Events Program contributed significantly to the overall success of this strong pipeline of future events which offers long-term certainty for Victoria's visitor economy and demonstrates the ongoing commitment and passion of the MCB team to deliver impactful outcomes in supporting our sector through its recovery.

Whilst the business events sector is still in recovery, we're seeing confidence across international markets rebound at pace with the resumption of international travel proving a critical turning point for our sector. It has enabled the return of international corporate, meeting and incentive groups, site visit re-engagement and enriched experiences for event organisers and delegates across both international and domestic segments.

As owners of the Asia Pacific Incentive and Meeting Event (AIME), we are incredibly proud to have hosted the first international tradeshow in Australia since international travel returned. AIME 2022 heralded the 'reopening' moment for the industry nationally and fuelled the business event's industry revival across the Asia Pacific region, with buyers expected to place \$120 million in business as a result of their attendance.

While the business events MCB secures drive economic prosperity across our state, they also profile Victoria as a place to do business and study, showcase sector strengths, provide trade and investment opportunities, showcase policy leadership and bring world leaders to the state. This is recognised in the growth of MCB's Knowledge Partnership Program adding a further nine extraordinary organisations and elite thinkers across the year who recognise knowledge is undeniably a powerful currency in securing business events for Melbourne.

I would like to acknowledge the support we have received throughout the year from the Victorian Government, Visit Victoria, City of Melbourne, Melbourne Convention and Exhibition Centre and all our industry partners. MCB's success in driving momentum within the Victorian business events sector is underpinned by our 'Team Melbourne' approach. Together we look forward to a bright year ahead supporting planners and key decision-makers to continue to plan and book their events in Melbourne.



A stylized, handwritten signature in black ink.

Julia Swanson
Chief Executive Officer
Melbourne Convention Bureau

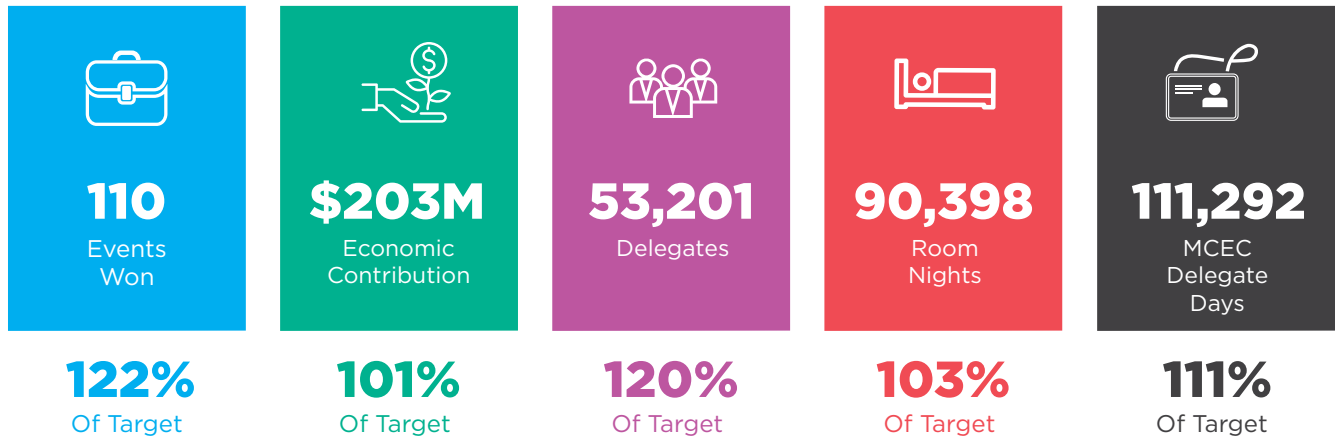


GREAT RESULTS FOUND HERE



OVERALL RESULTS SNAPSHOT 2021/2022

MCB delivered a buoyant overall result for the 2021-2022 financial year ensuring a strong pipeline of business events for Melbourne through to 2028. All targets were exceeded and reflect a positive outlook for the Victorian business events sector.

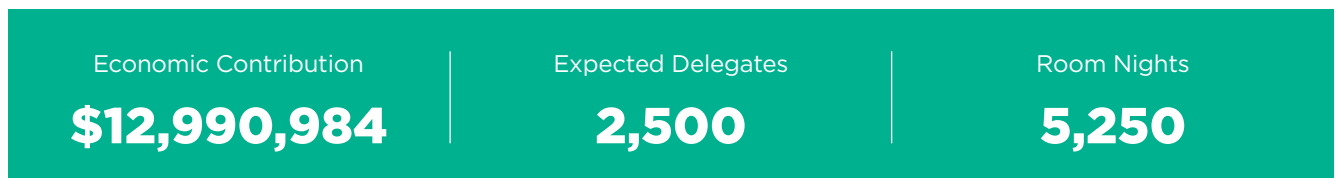


MAJOR BUSINESS EVENT WINS 2021/22

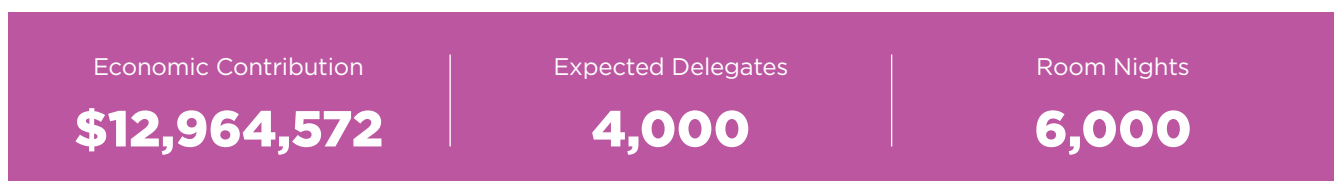
International Congress of Psychology 2028



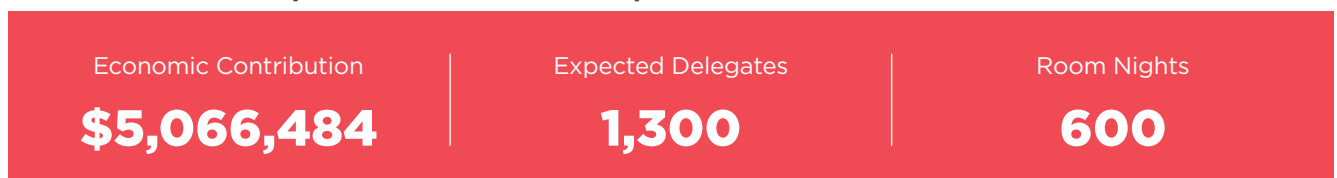
Global Entrepreneurship Congress 2023



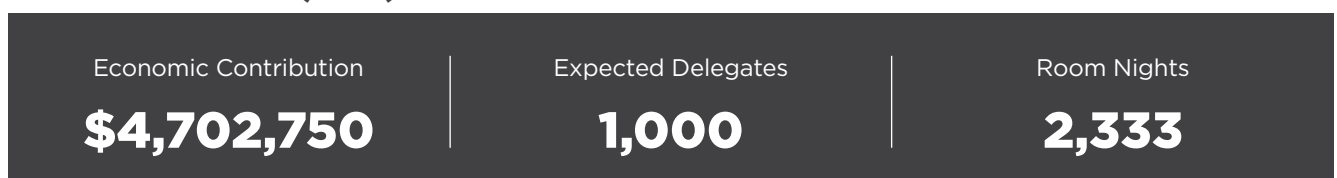
AusRAIL Plus 2025



IAKS Southern Hemisphere Forum & National Sports Convention 2024



IATA Slot Conference (SC151) 2022



Note., Events confirmed at time of publishing. Event year subject to change.



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Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

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Melbourne Convention Bureau Ltd

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report together with the financial statements of Melbourne Convention Bureau Limited (the Company), for the year ended 30 June 2022 and the auditor's report thereon.

1. DIRECTORS

The Directors of the Company at any time during or since the end of the previous financial year are:

Name and Independence Status	Experience and other directorships
Deborah Beale AM Independent Non-Executive Director	Appointed 25 February 2021 Chair Board member of Visit Victoria Limited, Director - The Production Company Director - Pinnacle Investment Management Ltd Scholarship Trustee - Mary Jane Lewis Scholarship Fund Director - Eloque Pty Ltd
Peter King Independent Non- Executive Director	Appointed 31 January 2012 Deputy Chair Audit and Risk Committee Member from February 2012 Chief Executive - Melbourne Convention and Exhibition Trust Director - Business Events Council of Australia (BECA) Director - International Association of Conference Centres, (AIPC) Director - Australian Sports Museum Committee member - Melbourne Cricket Club Committee (MCC)
Julia Langdon Independent Non- Executive Director	Appointed 9 May 2013 Audit and Risk Committee Chair from May 2013 Partner, Advisory - Ernst & Young. Specific experience in risk management Non-Executive Director - Uniting Agewell
Adrian Williams Independent Non- Executive Director	Appointed 16 August 2017 Vice President of Operations Accor, Victoria, Tasmania, South Australia and Western Australia Vice President Integration - Pacific - Accor Hotels (AAPC Limited), Chair - Accommodation Association of Australia (SAB - Victoria) Member - the Accommodation Advisory Panel for Victorian Tourism Industry Council
Brendan McClements Independent Non- Executive Director	Appointed 3 February 2020 Chief Executive Officer - Visit Victoria Limited. Board member - Australian Tourism Data Warehouse

Melbourne Convention Bureau Ltd

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

1. DIRECTORS (CONTINUED)

Name and Independence Status	Experience and other directorships
Anne Jamieson	Appointed 8 December 2020
Independent Non-Executive Director	Chief Executive Officer - Saxton Speakers Bureau Vice Chair - Victorian Tourism Industry Events Council Committee Member - Not In My Workplace

2. COMPANY SECRETARY

Keith Herdman, CPA, was appointed to the position of Company Secretary effective 18 October 2006.

3. DIRECTORS' MEETINGS

	Board Meetings		Audit & Risk Committee Meetings	
Director	A	B	A	B
Deborah Beale AM	6	7		
Peter King	5	7	9	9
Brendan McClements	5	7		
Adrian Williams	7	7		
Julia Langdon	7	7	9	9
Anne Jamieson	7	7		

A Meetings attended

B Meetings eligible to attend

4. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was established to assist the Board in fulfilling its responsibility to oversee and advise on the development and review of a framework of internal control for management of Melbourne Convention Bureau Limited (the Company). The Committee comprises a minimum of two members, both of which are independent, non-executive directors of the Company. The Chair may not be the Chair of the Board.

The external auditors / internal auditors, the chief executive officer, the chief financial officer and other persons are invited to attend Audit and Risk Committee meetings at the discretion of the Committee.

5. RISK MANAGEMENT

A risk management framework was approved by the Audit and Risk Committee and adopted by the Board for the company. The framework was developed in consultation with external advisers to ensure it is consistent with the Australian Risk Management Standard with an internal control system in place to enable the executive to understand, manage and satisfactorily control risk exposures.

Overview of the risk management system

The Board oversees the establishment and implementation of the company's Risk Management System. The Board established and implemented the Audit and Risk Committee with the role of assessing, monitoring and managing the operational, financial reporting and compliance risks for the company.

Melbourne Convention Bureau Ltd

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

6. ENVIRONMENTAL REGULATION

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

7. ETHICAL STANDARDS

Conflict of Interest

Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company. The Board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the Board believes that a significant conflict exists for a director on a Board matter, the director concerned is not present at the meeting whilst the item is considered.

8. COMPANY OBJECTIVES, STRATEGIES AND PRINCIPAL ACTIVITIES

Melbourne Convention Bureau Limited is a not-for-profit company limited by guarantee that is incorporated and domiciled in Australia. The address of the Company's registered office is Level 28, 727 Collins Street, Melbourne, Victoria 3008.

The principal activities of the Company during the year ended 30 June 2022 comprised of business development activities promoting Melbourne as Australia's premier business events destination and the securing of business events for Victoria. These assist in achieving the Company's short and long-term objectives of generating economic wealth for Melbourne and regional Victoria by securing national and international conventions, corporate meetings, exhibitions, and incentive travel reward programs. The Company measures its performance by assessing the economic contribution delivered as a direct result of the business secured.

9. FINANCIAL REVIEW

Revenue from operations for the year ended 30 June 2022 was \$10,796,410 (2021: \$7,329,762).

The result for the current year is a surplus of \$482,121 (2021 deficit: \$55,132).

The COVID-19 pandemic continued to have a lingering impact on the Company's operating revenue position during the financial year. The Company extended the membership period for all its members acknowledging the difficult trading conditions they have had to endure.

Management identified certain programs and planned activity it could defer and reassess to mitigate the revenue shortfalls. Additionally, savings were achieved as many global trade shows were also cancelled or attended virtually and travel restrictions prevented attendance.

10. DIVIDENDS

The Company's constitution does not permit the payment of dividends to members of the Company.

11. STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in these financial statements.

Melbourne Convention Bureau Ltd

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

12. LIKELY DEVELOPMENTS

The Company's Retained Earnings continue to maintain sufficient capacity to absorb potential losses that may eventuate over the next 12 months.

13. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

Since its inception the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an Officer or Auditor of the Company.

Insurance premiums

During the financial year the Company has paid insurance premiums of \$6,340 (2021: \$7,493) in respect of directors' and officers' liability insurance. These insurance premiums related to insurance of Directors and Officers of the Company named in this report. The insurance policies outlined do not contain detail of the premium paid in respect of individual Directors and Officers of the Company. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, except for conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

14. MEMBERS' GUARANTEE

The Company is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum amount of \$1 towards meeting any outstanding obligations of the Company.

As at 30 June 2022, the total number of members was 80 (2021: 171).

15. AUDITOR'S INDEPENDENCE DECLARATION

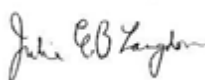
The auditor's independence declaration is set out on page 37 and forms part of the directors' report for the financial year ended 30 June 2022.

This report is made with a resolution of the Directors.



Ms Deborah Beale AM

Chair



Ms Julia Langdon

Director

Dated at Melbourne this 17th October 2022

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Operating revenue	2.1	10,796,410	7,329,762
Employee benefit expenses	3.2	(4,948,598)	(4,885,065)
Marketing expenses	3.3	(2,452,685)	(2,218,454)
Grant expenses	3.4	(2,320,704)	414,976
Administration expenses	3.5	(595,152)	(701,042)
Net results from operations		479,271	(59,823)
Other gain / (loss) from other economic flows			
Net gain / (loss) arising from revaluation of long service liability	3.2	2,850	4,691
Total other gain / (loss) from other economic flows		2,850	4,691
Total comprehensive profit / (loss)		482,121	(55,132)

The notes on pages 18 to 35 are an integral part of these financial statements.

Melbourne Convention Bureau Ltd

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
Assets			
Cash and cash equivalents	5.1	6,499,917	6,905,593
Trade and other receivables	4.1	769,613	218,196
Other assets	4.2	316,246	307,626
Total current assets		7,585,776	7,431,415
Total assets		7,585,776	7,431,415
Liabilities			
Trade and other payables	4.3	4,792,894	5,176,441
Employee benefits	3.2.2	521,113	454,560
Total current liabilities		5,314,007	5,631,001
Employee benefits	3.2.2	58,352	69,118
Total non-current liabilities		58,352	69,118
Total liabilities		5,372,359	5,700,119
Net assets		2,213,417	1,731,296
Equity			
Retained earnings		2,213,417	1,731,296
Total equity		2,213,417	1,731,296

The notes on pages 18 to 35 are an integral part of these financial statements

Melbourne Convention Bureau Ltd

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Retained earnings \$
Balance at 30 June 2020	1,786,428
Total comprehensive (loss)	(55,132)
Balance at 30 June 2021	1,731,296
Total comprehensive profit	482,121
Balance at 30 June 2022	2,213,417

The notes on pages 18 to 35 are an integral part of these financial statements.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash receipts from customers		11,189,988	8,559,008
Cash paid to suppliers and employees		(11,118,072)	(6,514,285)
Interest income		5,085	5,743
Net GST paid to the Australian Taxation Office (ATO)		(482,677)	(410,462)
Net cash provided from operating activities	5.1.1	(405,676)	1,640,004
Net increase in cash and cash equivalents		(405,676)	1,640,004
Cash and cash equivalents as at 1 July		6,905,593	5,265,589
Cash and cash equivalents at 30 June	5.1	6,499,917	6,905,593

The notes on pages 18 to 35 are an integral part of these financial statements.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

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Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

NOTE 1. ABOUT THIS REPORT

Melbourne Convention Bureau Limited ('the Company/MCB') is a not for profit company limited by guarantee. The Company was incorporated in Australia, and at all times during the year ended 30 June 2022, was domiciled in Australia. The Company's registered office is at Collins Square Tower Two, Level 28, 727 Collins Street, Melbourne, Victoria, Australia 3008.

The Company operates in one industry and geographic segment being primarily involved in providing convention and destination marketing services as well as acquiring and developing business events for the Victorian visitor economy.

On 23 May 2016, the members agreed that Visit Victoria Limited be allocated 51% of the voting rights in MCB with the members retaining the remaining 49% of voting rights. Under the terms of the Agreement, Visit Victoria Limited are not entitled to any share of the retained earnings of the Company.

1.1 Basis of preparation

These financial statements are presented in Australian dollars, which is the Company's functional currency and have been prepared on the historical cost basis unless otherwise stated.

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

The financial statements have been prepared on the historical cost basis unless otherwise stated. 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.

The financial statements have been prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The accounting policies set out in the notes have been applied in preparing the financial statements and comparative information for the year ended 30 June 2022. Where, necessary, comparatives have been reclassified for consistency with current year disclosures.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

1.2 Income tax

The Company is exempt from income tax under section 50-40 of the Income Tax Assessment Act 1997.

1.3 Compliance information

In the opinion of the Directors, the Company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Details of the Company's accounting policies are included in these notes to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 17th October 2022.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

NOTE 2. FUNDING THE DELIVERY OF SERVICES

The Company's operations are mostly funded from the Victorian Government. Other sources of income include partnership income, membership fees and other income from commercial activities.

2.1 Summary of income that funds the delivery of services

	2022 \$	2021 \$
Operating State Government funding – DJPR	4,800,000	4,100,000
Business Event State Government funding – DJPR	2,321,026	(414,976)
Melbourne Convention and Exhibition Trust	1,863,314	1,795,099
City of Melbourne funding	350,000	400,000
Industry co-operative revenue	174,358	125,000
Membership revenue	308,965	382,567
Advertising sales revenue	-	43,820
Finance income	5,085	5,743
Other Income	973,662	892,509
Operating Revenue	10,796,410	7,329,762

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and rebates.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the entity's activities as described below.

The impact of Covid-19 has resulted in the postponement or cancellation of several Business Events which resulted in the withdrawal of payment eligibility. As a result, in 2020/21, an adjustment of \$960,000 has been made equally to both decrease in "Business Event State Government Funding – DJPR" revenue and a decrease in Grant expenses which were accrued in 2019/20.

2.2 Income from the State Government

Department of Jobs, Precincts and Regions (DJPR)

Operational grants are received from the State Government of Victoria, Department of Jobs, Precincts and Regions DJPR for the purposes of funding the Company's activities to fulfill its objectives to grow Victoria's visitor economy through convention marketing and acquisition. Such grants are recognised as income when the Company gains control of the underlying assets (AASB 1058).

Grants received in connection with business events are recognised as income when the Company has satisfied its performance obligations under the terms of the grant agreement (AASB 15).

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

2.3 Other income

Melbourne Convention and Exhibition Centre Trust (MCET)

The Company receives funding support from MCET through a partnership agreement. Income is recognised when it is received or receivable. (AASB 1058)

City of Melbourne funding

The Company receives funding support from the City of Melbourne through a partnership agreement. Income is recognised when it is received or receivable. (AASB 1058)

Industry co-operative revenue

The amount recognised for co-operative ventures refers to funds directly received for activities such as brochure participation and co-operative marketing. Funds from co-operative venture participants are recognised when received or due and receivable, except where received in respect of the following financial year. Funds received prior to activities having taken place are recognised as Contract Liabilities.

In-kind contributions

In-kind contributions that are non-reciprocal transfers to the Company are recognised at their fair value as both income and expenditure when received, where fair value is determined with reference to similar goods and services.

Membership revenue

Membership revenue is recognised when received or due and receivable, except when received in respect of the following financial year.

Advertising sales revenue

Advertising sales revenue is recognised when it is received or receivable. The Company receives revenue from the sale of advertising through its publications.

Other income

Other income is recognised when received or receivable and includes booth/participation fee income, reimbursements from external organisations, co-operative ventures income and value applied to event hospitality provided to other bodies on a contract basis and other miscellaneous income.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

NOTE 3. COST OF DELIVERING GOODS AND SERVICES

The Company's most significant expenses result from providing convention marketing services, grant payments for event acquisitions and the regular operating costs in delivering these services.

3.1 Summary of expenses incurred in the delivery of services

	2022 \$	2021 \$
Employee benefit expenses	4,948,598	4,880,374
Marketing expenses	2,452,685	2,218,454
Grant expenses	2,320,704	(414,976)
Administration expenses	595,152	701,042
Total operating expenses	10,317,139	7,384,894

3.2 Employee benefits

Employee expenses are recognised when incurred. These expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments, payroll tax and workers compensation insurance premiums.

	2022 \$	2021 \$
Wages and salaries and associated on costs	4,373,681	4,330,300
Annual leave expense	237,601	246,118
Contributions to defined contribution plans	285,134	263,215
Long service leave expense	52,182	45,432
	4,948,598	4,885,065
Net (gain) / loss arising from revaluation of long service leave liability	(2,850)	(4,691)
Total employee benefit expenses	4,945,748	4,880,374

3.2.1 Employee benefits in the statement of profit and loss

Defined superannuation contribution expense

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Superannuation contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

Defined superannuation benefit expense

The Company does not contribute to any defined benefit plans in Australia

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

3.2 Employee Benefits - continued

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

3.2.2 Employee benefits in the statement of financial position

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

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

	2022 \$	2021 \$
Provision for annual leave	256,255	258,376
Provision for long service leave	282,691	233,359
Provision for other leave	40,519	31,943
	579,465	523,678
Current	521,113	454,560
Non - current	58,352	69,118
	579,465	523,678

Annual leave

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

Long service leave

Unconditional long service leave is disclosed as a current liability even though the Company does not expect to settle the liability within 12 months, as it does not have an unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of current long service leave liability are measured at an undiscounted value where the Company expects to wholly settle within 12 months, or present value if the Company does not expect to wholly settle within 12 months. Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service leave is measured at its present value.

Provision for other leave

This provision includes other leave entitlements defined in the Enterprise Agreement.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

3.3 Marketing expenses

The Company incurs marketing expenses in fulfilling its objective to grow Victoria's visitor economy through convention acquisition and marketing. The Company undertakes a multi-layered approach to achieve this objective by adopting a strong presence in the domestic, international and digital environments. Marketing costs are recognised as incurred when the relevant service has been provided.

3.4 Grant expenses

The Company provides funding to attract visitors, conferences and business events to the State and consolidate Melbourne and Victoria's position as a leading global convention and events destination. Payments are expensed as incurred and when performance obligations are met or contractual milestones are achieved.

3.5 Administration expenses

Administration expenses comprise the day to day running costs incurred in the normal operations and management of the Company.

	2022 \$	2021 \$
IT management	45,433	61,649
Professional services and consultancy	48,065	88,656
Insurance	20,854	25,927
Communications	12,245	15,116
Office accommodation	442,184	480,166
Other	26,371	29,528
	595,152	701,042

The Company incurs overhead costs by way of a shared services agreement with Visit Victoria Limited for the provision of office accommodation and equipment to enable the Company to undertake its day to day operations. The agreement is for a period no longer than twelve months and re-assessed annually. The parties' contract with each other on an arm's length basis. Refer Note 7.1 Related Parties for further details.

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

NOTE 4. OTHER ASSETS AND LIABILITIES

This section describes those assets and liabilities, including receivables and payables, that arise from the Company's operations comprising receivables and payables that are short-term in nature.

4.1 Trade and other receivables

	2022 \$	2021 \$
Trade receivables	669,989	226,216
Provision for impairment	-	(11,165)
Other receivables	99,624	3,145
	769,613	218,196
Current	769,613	218,196
Non-Current	-	-
	769,613	218,196

Receivables consist predominantly of debtors in relation to goods and services. The Company considers all receivables in the financial years ended 30 June 2022 to be current in nature and will be settled within 12 months.

- **Trade receivables** are classified as financial instruments and categorised as "financial assets at amortised cost". They are initially recognised at fair value plus any directly attributable transaction costs. The Company holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Provision for impairment.** The Company assesses the recoverability of receivables on an individual basis. The allowance accounts in respect of receivables are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible, at which point the amount is considered irrecoverable and is written off against the financial asset directly. The movement in the provision for impairment in respect of receivables during the year was as follows:

	2022 \$	2021 \$
Balance at 1 July	11,165	197,315
Impairment loss (derecognised)	(11,165)	(186,150)
Balance at 30 June	-	11,165

- **Other receivables** include sundry debtors.

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

4.2 Other assets

Other assets include prepayments.

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

4.3 Trade and other payables

	2022 \$	2021 \$
Trade payables	519,837	41,144
Accrued expenses	373,483	669,801
Trade payables	893,320	710,945
Contract liabilities	3,647,452	4,136,037
Other	252,122	329,459
Other payables	3,899,574	4,465,496
Total Payables	4,792,894	5,176,441
Current	4,792,894	5,176,441
Non-Current	-	-
	4,792,894	5,176,441

Payables consist of:

- **Trade payables:** such as accounts payable, are classified as financial instruments and measured at amortised cost (refer to Note 6.2.3 for further details). Trade payable represents liabilities for goods or services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchases of goods and services.
- **Accrued expenses:** consists of business expenditures incurred but not yet paid.
- **Contract liabilities:** consists of amounts received during the year which relates to activities to be conducted in future financial years. Revenue is recognised only when the Company has satisfied its performance obligations under the terms of the grant and the remaining amount has been deferred in liability until satisfaction of the performance obligation.
- **Other payables:** includes goods and services tax (GST), payroll tax, pay as you go (PAYG) withholding, fringe benefits tax (FBT) and other provisions provided as at 30 June.

Goods and services tax (GST)

- Income, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.
- Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

NOTE 5. FINANCING OPERATIONS

This section describes the financial assets (cash and cash equivalents) that are used by the Company in financing its operations.

5.1 Cash and Cash equivalents

Cash and cash equivalent recognised in the statement of financial position comprise cash at bank and deposits at call with other financial institutions.

	2022 \$	2021 \$
Bank balances	6,499,917	6,905,593
Cash and cash equivalents in the statement of cash flows	6,499,917	6,905,593

5.1.1 Reconciliation of net result to cash flows from operating activities

	2022 \$	2021 \$
(Loss) for the year	482,121	(55,132)
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(551,417)	496,436
(Increase) in other assets	(8,620)	(69,098)
Increase / (Decrease) in trade and other payables	(383,547)	1,157,939
Increase in employee benefits	55,787	109,859
Net cash provided/ (used) by operating activities	(405,676)	1,640,004

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

NOTE 6. RISKS, CONTINGENCIES, AND JUDGEMENTS

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

6.1 Financial instruments fair values

6.1.1 Accounting classifications and fair values

The financial instruments held by the Company at the reporting date were non-derivative financial assets (trade and other receivables, cash and cash equivalents) and non-derivative financial liabilities (trade and other payables). For all these financial instruments, the carrying amount is a reasonable approximation of fair value because of their short-term maturity and the expectation that they will be paid in full.

	Note	Cash and cash equivalents	Financial assets at amortised cost	Financial liabilities at amortised costs	Total
2021					
Contractual financial assets		\$	\$	\$	\$
Cash and cash equivalents	5.1	6,905,593	-	-	6,905,593
Trade and other receivables	4.1	-	218,196	-	218,196
Total Contractual financial assets		6,905,593	218,196	-	7,123,789
Contractual financial liabilities					
Trade and other payables	4.3	-	-	5,176,441	5,176,441
Total Contractual financial liabilities		-	-	5,176,441	5,176,441
2022					
Contractual financial assets					
Cash and cash equivalents	5.1	6,499,917	-	-	6,499,917
Trade and other receivables	4.1	-	769,613	-	769,613
Total Contractual financial assets		6,499,917	769,613	-	7,269,530
Contractual financial liabilities					
Trade and other payables	4.3	-	-	4,792,894	4,792,894
Total Contractual financial liabilities		-	-	4,792,894	4,792,894

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

6.1.2 Measurement of fair values

No financial instruments are held at fair value, however, should items be held at fair value in the future the Company's policy for determining the fair values and net fair values of financial assets and financial liabilities is as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and are traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models on discounted cash flow analysis.

6.2 Financial risk management

The Company's main exposures are to the following financial risks:

- credit risk and
- liquidity risk

It aims to manage these risks and associated variability in financial performance in accordance with its risk management framework.

6.2.1 Risk Management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has an Audit and Risk Committee who oversees the internal and external audit functions and monitor the company's internal control and compliance framework. The Audit and Risk Committee also monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the company.

6.2.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

Cash and cash equivalents

The Company held cash and cash equivalents, including other assets, of \$6,499,917 (2021: \$6,905,593) on 30 June 2022, which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with financial institution counterparties with strong credit ratings.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. The Company does not operate as a 'trading' entity and trade receivables relate to sundry receivables from a small number of counterparties or outstanding membership fees. As at 30 June 2022, there is nil allowance for impairment. (2021: \$11,165).

There are no material financial assets which are individually determined to be impaired. The average credit period for receivables is 30 days (2021: 30 days).

Currently the Company do not hold any security relating to its financial assets nor are there any receivables whose credit terms have been reviewed to avoid them being past due or impaired.

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

6.2 Financial risk management - continued

	Carrying Amount	Neither Past Due Nor Impaired	Past Due But Not Impaired			Past Due And Impaired 3 Months - 1 Year
			Less Than 1 Month	1-3 Months	3 Months - 1 Year	
30 June 2021	\$	\$	\$	\$	\$	\$
Trade and other receivables	218,196	33,787	3,145	72,287	108,977	-
	218,196	33,787	3,145	72,287	108,977	-
30 June 2022						
Trade and other receivables	769,613	577,650	150,564	23,540	17,859	-
	769,613	577,650	150,564	23,540	17,859	-

	Current	1-3 Months	3 Months - 1 Year	More than 1 Year	Total
30 June 2021	\$	\$	\$	\$	\$
Expected loss rate	0%	0%	0%	100%	
Gross carrying amount of receivables	36,932	72,287	97,812	11,165	218,196
Loss Allowance	-	-	-	11,165	11,165
30 June 2022	\$	\$	\$	\$	\$
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount of receivables	728,214	23,540	17,859	-	769,613
Loss Allowance	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

6.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company typically ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Exposure to liquidity risk

The table below presents the remaining contractual maturities of financial liabilities at the reporting date. Gross and undiscounted amounts are shown below.

	Carrying Amount	Nominal Amount	0-1 Year	1-2 Years	2-5 Years	More Than 5 Years
30 June 2021	\$	\$	\$	\$	\$	\$
Trade and other payables	1,040,404	1,040,404	1,040,404	-	-	-
Contract liabilities	4,136,037	4,136,037	4,136,037	-	-	-
	5,176,441	5,176,441	5,176,441	-	-	-
30 June 2022	\$	\$	\$	\$	\$	\$
Trade and other payables	1,145,442	1,145,442	1,145,442	-	-	-
Contract liabilities	3,647,452	3,647,452	3,647,452	-	-	-
	4,792,894	4,792,894	4,792,894	-	-	-

6.3 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position, but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of any GST.

There are no contingent assets or liabilities for the year ended 30 June 2022 (2021: Nil).

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

NOTE 7. OTHER DISCLOSURES

This section outlines those disclosures and other information required by accounting standards or otherwise to assist in the understanding of these financial statements. Disclosures include information about related parties, key management personnel, auditor's remuneration, significant events occurring after reporting date and key information regarding accounting standards.

7.1 Related parties

Melbourne Convention Bureau Limited is a not for profit company limited by guarantee. The members are the ultimate owners of the Company with funding predominantly provided by the Department of Jobs, Precincts and Regions (DJPR). Related parties of Melbourne Convention Bureau Limited are considered to include:

- all key management personnel and their close family members
- the Company's parent entity, Visit Victoria Limited who holds a controlling 51% voting share in the Company
- all cabinet ministers and their close family members; and
- all departments and public-sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

7.1.1 Significant transactions with state government

During the reporting year, the Company had the following transactions with the state government.

	2022 \$	2021 \$
DJPR - State Government Funding	6,044,738	6,527,400
DJPR- payment	(62,500)	(50,000)
	5,982,238	6,477,400

All amounts above are shown inclusive of GST.

7.1.2 Transactions with key management personnel

Key management personnel compensation

Key management personnel comprise:

- all Directors of the Company;
- the Chief Executive Officer (CEO); and
- Executive Officers of the Company who meet the definition of key management personnel (KMP) of the entity under *AASB 124 Related Party Disclosures*.

Directors of the Company are not remunerated for performing their roles as Directors of the Company.

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

7.1 Related parties - continued

Key management personnel compensation is detailed below and comprises salaries and non-cash benefits.

- *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

	2022 \$	2021 \$
Short-term employee benefits	967,211	1,030,498
Post-employment benefits	86,963	80,153
Other long term benefits	24,086	156,215
	1,078,260	1,266,866

Total number of executives and full time equivalent (FTE)	5	5
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Key management personnel and director transactions

Several key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over those companies. A number of these companies transacted with the Company during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence representing the ability to participate in the financial and operating policy decision of the Company, were as follows.

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

		Transaction value for the year ended 30 June		Balance outstanding as at 30 June	
Directors related parties	Transaction	2022 \$	2021 \$	2022 \$	2021 \$
Adrian Williams Accor Hotels	Revenue - member and advertising sales	5,126	4,235	-	-
Adrian Williams Anne Jamieson Victorian Tourism Industry Council	Expenditure - sales and marketing	4,033	6,050	-	6,050
Peter King Melbourne Convention and Exhibition Trust	Revenue - MCET funding	2,081,834	1,974,610	512,411	-
	Expenditure - sales and marketing	17,792	-	-	-
Deborah Beale AM Brendan McClements Visit Victoria	Receipts - Visit Victoria	825,130	343,517	-	-
	Expenditure - Visit Victoria	969,373	969,373	-	6,393
Deborah Beale AM Federation Square	Revenue - member and advertising sales	6,287	6,287	-	6,287

Other than the compensation noted at 7.1.2. above there were no related party transactions involving Executives Officers of the Company.

7.2 Auditor's remuneration

	2022 \$	2021 \$
Audit and review services		
Victorian Auditor General's Office		
Audit of financial statements	30,000	43,000

There were no other services provided by the auditor of the Company during the financial year.

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022

7.3 Subsequent events

Melbourne Convention Bureau Limited do not consider there has arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

COVID-19 has not materially impacted on the judgements, estimates and assumptions made about the financial information presented in this report.

7.4 Australian accounting standards issued that are not yet effective

Certain new and revised accounting standards have been issued but were not effective for the 2021-22 reporting period. These accounting standards have not been applied to the Financial Statements. The Company has reviewed its existing policies and assessed the potential implications of these accounting standards and do not consider them to have a material impact.

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DIRECTORS DECLARATION

FOR YEAR ENDED 30 JUNE 2022

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Melbourne Convention Bureau Limited ('the Company'), I state that:

In the opinion of the Directors of Melbourne Convention Bureau Limited (the Company):


- (a) the financial statements and notes, set out on pages 14 to 35, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2022 and of their performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 17th October 2022.

Signed in accordance with a resolution of the Directors on behalf of the Board.



Ms Deborah Beale AM
Chair



Ms Julia Langdon
Director

Auditor-General's Independence Declaration

To the Directors, the Melbourne Convention Bureau Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the Melbourne Convention Bureau Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
21 October 2022



Simone Bohan
as delegate for the Auditor-General of Victoria

Independent Auditor's Report

To the Directors of the Melbourne Convention Bureau Limited

Opinion	<p>I have audited the financial report of the Melbourne Convention Bureau Limited (the company) which comprises the:</p> <ul style="list-style-type: none"> • statement of financial position as at 30 June 2022 • statement of profit or loss and other comprehensive income for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • directors' declaration. <p>In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> • gives a true and fair view of the financial position of the company as at 30 June 2022 and its financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
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 company in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and 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 Directors of the company are responsible for the Other Information, which comprises the information in the Directors' Report for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information 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>

Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors • conclude on the appropriateness of the Directors' 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 company'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 company 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.

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

I communicate with the Directors 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.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
21 October 2022



Simone Bohan
as delegate for the Auditor-General of Victoria

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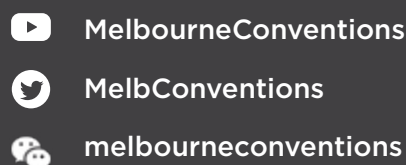
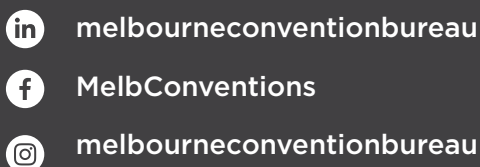
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