



ANNUAL REPORT 2023-24

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Queen Victoria Market Pty Ltd respectfully acknowledges the Traditional Owners of the land on which the Market is located, the Wurundjeri Woi-wurrung people of the Eastern Kulin, and pays respect to their Elders past and present.

FROM THE CHAIR

Queen Victoria Market is an integral part of the fabric of our city. It attracts customers and visitors from all backgrounds across Melbourne and its suburbs, Victoria, other states and internationally. It offers a unique experience and exceptional value across fresh produce, specialty merchandise and special events. But at its heart, the Market exists for the interactions that take place between customers and traders; buyers and sellers.

Queen Victoria Market (QVM) Pty Ltd's role is to be the catalyst or enabler of these interactions. Our success depends on the positive experience of customers and traders and our *raison d'être* is to ensure the Market is a place small business owners want to trade and customers want to shop and visit.

QVM management daily undertakes activities and actions which create an environment in which traders and customers can come together successfully, both now and into the future, and which guarantee the ongoing sustainability of QVM Pty Ltd itself. As a Board, we have a strong focus on future-proofing the market by setting and actioning a strategic direction that is based on a constant reassessment of the needs of both existing and potential traders and customers in Melbourne's rapidly changing retail, social and economic environment.

In large part our success must be judged by the growth of satisfied traders and customers. It was therefore pleasing to see visitation growing strongly over the year. Following a 33% post-pandemic jump in 2022-23, visitation in 2023-24 increased by a further 7.9% to reach a total of 7,680,073. This figure does not include the additional 600,000-plus visitors who attended our range of seasonal Night Markets.

This is an outstanding show of support from Melbournians and visitors to our city. Customers are also reporting extremely high levels of satisfaction with the Market evidenced through an increased Net Promoter Score.

Similarly, there has also been an increase in the number of day traders this year, with this group growing from 472 to 501, along with the creation of the new Purpose Precinct.

These results are a strong endorsement of the work being done in trader engagement, placemaking, events and operations to keep the Market open and running smoothly as a welcoming place for shoppers and all visitors.

Because of this, 2023-24 was an improved financial year for QVM Pty Ltd as we delivered a better than budgeted result thanks to a focus on sustainable revenue growth and expense management.

2023-24 also saw completion of a number of key components of the Renewal Program including the Food Hall reopening after extensive refurbishments, the upgrade of the Therry Street streetscape and completion of the work to restore and revitalise our signature open-air trading sheds. I thank the City of Melbourne's Renewal team for this and for their ongoing work to future-proof the Market.

I am optimistic about the long-term future of Queen Victoria Market, but I do not underestimate the short-term disruption we will face as work to deliver critical facilities for traders and QVM impacts Queen Street and the connection between the upper and lower market.

While this once in a lifetime disruption is unavoidable, the need to stay the course to deliver the promise of Renewal has never been clearer. The world is not standing still and neither can the Market. While committed to operating a traditional market with fresh produce at its heart, the Queen Victoria Market must have the facilities for its operations that align with contemporary work practices. This new physical infrastructure and the Future Market Strategy, which is being delivered concurrently, are the two key building blocks for the ongoing success of the Market.

I would like to acknowledge the City of Melbourne for its continued support and acknowledge the Lord Mayor, Councillors, CEO and Executive for their unwavering commitment to QVM Pty Ltd. The creation of the QVM Renewal Program Executive Committee in May 2023 is a further demonstration of the City's commitment to facilitate appropriate, timely decision making for the most significant challenges associated with the program.

I'd like to thank Sally Capp, who stood down as Melbourne Lord Mayor in April this year. She was a committed champion for Queen Victoria Market, and her frequent visits to the Market in both an official and personal capacity were a clear demonstration of her genuine affection for the place. The Board wishes her the best as she moves into the next phase of her career and hope to see her shopping in the Market for years to come.

The Trader Advisory Committee, under the able leadership of Chair Nancy Policini, have continued to provide valuable advice and an ongoing trader perspective to management and the Board and I thank them for their engagement.

This year saw the resignation of Jane Hodder from the Board in October. Jane served as Director for eight years, including five as Deputy Chair, and her expertise, insightful questions and considered and valued opinions are missed.

I am grateful to Di Laws for agreeing to become the Deputy Chair and for the ongoing support she has provided since taking the role.

To my fellow Board Directors, Di Laws, Michael Tenace, Luke Hilakari, Sandy Chakravarty and Emma Germano: thank you for another year of tireless service.

Finally, thank you to CEO Matt Elliott and the Leadership Team who have delivered beyond our expectations in the past year. They have risen to every challenge and enthusiastically embraced every opportunity. To all QVM Pty Ltd staff, thank you once again for demonstrating your ongoing commitment to the Market and for going above and beyond.

Jane Fenton AM
Chair
October 2024



FROM THE CHIEF EXECUTIVE OFFICER

Following my first full year in the CEO role, it's true that there is never a dull moment at Queen Victoria Market!

Guided by the Future Market Strategy, the past 12 months have been a year of focussing on the fundamentals as we work to secure the physical, financial and social future of the Market.

Even with the increasing impact of Renewal works, key achievements have been made in:

- Increasing the number of customers who visit the Market and enhancing the way we engage with them while they are here.
- Developing the relationships with traders as we work together to make the Market an accessible and rewarding place to operate a business.
- Shoring up QVM Pty Ltd's financial sustainability to ensure we can continue to operate the Market for the benefit of traders and customers now, and into the future.

Efforts to address the costs of running the Market have been an important part of our work this year, as we reckoned with the impact of a 28% increase in cleaning, security, waste management and other similar expense since 2015. For the future financial sustainability of the Market, changes were necessary to cover these increasing costs and ensure a fair and equitable user-pays approach to how they are shared by traders.

It has not been an easy year, with a lot of big decisions and honest conversations, but the results speak for themselves – with visitation trending towards pre-pandemic levels and a financial result in positive territory for the second consecutive year.

However, even as our financial position has improved over the past year, the forward look to 2024-25 and into 2025-26 presents a note of caution as we expect to continue to rely on financial support from the City of Melbourne across this period.

Despite the challenges, in 2024-25 and beyond our priority is continuing to deliver through Renewal. While we manage the many varied impacts of significant construction work within the precinct, we remain firmly focussed on enhancing the customer and trader experience at the Market.

The Future Market Strategy offers a roadmap to ensuring the spirit of the Market over the past 145 years continues to thrive. The whole team at QVM Pty Ltd and I are fully committed to its implementation.

To help achieve this goal QVM Pty Ltd itself has also experienced significant change this year, with an internal restructure helping us to further align our resources and staffing profile with the key work we are undertaking in the Market.

I want to take this opportunity to thank all staff not only for their continued passion for the Market, but also their flexibility and resilience as they continue to get on with the job even through the changes we have been making.

The restructure has enabled us to focus our efforts on the central customer/trader experience which sets Queen Victoria Market apart as shopping, event and leisure destination in Melbourne – and we are already seeing the benefits in the visitation, satisfaction and financial results we achieved.

Another key focus for this year has been developing our data collection and utilisation capacity to ensure we are able to make considered, evidence-based decisions. This is especially critical at the moment as the Melbourne CBD continues to undergo a significant shift post-COVID with changing work, shopping and recreation patterns of locals and visitors presenting many new opportunities to be identified, understood and grasped.

I'd like to thank the QVM Pty Ltd Chair and Board Members for their support this year – the expertise and guidance they offer allows all of us to work effectively and productively.

Thank you also to the Leadership Team and broader QVM team for another year of service to Queen Victoria Market. Your hard work has helped us deliver an outstanding set of results during some very trying circumstances.

Matt Elliott

Chief Executive Officer

October 2024

WHO WE ARE

Queen Victoria Market is one of the world's most significant public marketplaces, boasting the highest concentration of independent small businesses anywhere in Australia.

At 7 hectares, it is Australia's largest retail marketplace. Encompassing heritage sheds, iconic market halls and historic shopfront terraces, the Market is home to more than 500 independently owned businesses, offering a diverse range of fresh food, general merchandise and hospitality 5 days a week at the Day Market and on a seasonal basis at the expansive calendar of community and Market events, such as seasonal Night Markets.

Continuously trading since its official opening in 1878, Queen Victoria Market is the longest surviving marketplace of its scale and diversity in Australia. Its community of traders, affordability and diverse retail offer has serviced a loyal customer base for generations. Today, Queen Victoria Market's evolving offer of fresh produce, general merchandise, hospitality, events and activities ensures its ongoing relevance as a launching pad for new business and a centre for the community.

PURPOSE

QVM Pty Ltd is a wholly owned commercial subsidiary of the City of Melbourne and is responsible for managing the day-to-day operations and planning of the Queen Victoria Market. As the owner of the Queen Victoria Market, the City of Melbourne has oversight and responsibility for any major capital improvements at the site.

QVM Pty Ltd is responsible for building on the existing appeal of the Queen Victoria Market, one of the world's most significant public marketplaces, and guiding it through the next phase in its evolution so it can be enjoyed by generations to come.

This evolution includes the City of Melbourne's Queen Victoria Market Precinct Renewal Program, which is securing the Market's future by restoring its heritage while upgrading and modernising its operations.

Renewal together with other enhancements to the Market offer, customer experience and practices to ensure safe and efficient operations under our five-year *Future Market Strategy* will ensure the Market is able to meet the changing needs of Melburnians and contribute to the revitalisation of an important and growing part of the city.

VISION

Queen Victoria Market will be a 'market of markets'; a thriving and diverse market and community meeting place that is loved by locals and a must see for visitors.

STRATEGIC GOALS AND OBJECTIVES

To help achieve our vision for the Market, the following Core Market Elements and Guiding Planning Principles set our direction and priorities, and guide everything we do:

CORE MARKET ELEMENTS

1. An authentic market experience
2. A reinvigorated fresh food hub
3. A showcase for diverse retail
4. An immersive food destination
5. An active and animated precinct.

GUIDING PLANNING PRINCIPLES

1. Protect the Market's heritage
2. Create a great place to run a business
3. Build community and celebrate diversity
4. Foster a sustainable future
5. Improve safety and modernise operations.

VALUES

Underpinning our vision and strategic framework are our organisational values:

- **Market leaders:** bold in our decisions, leading by example and inspiring others
- **Creative and courageous:** encouraging creativity, have an entrepreneurial spirit and confident in our actions and delivery
- **Trusting of each other:** working as one team respecting each other's decisions, roles and ideas
- **Passionate about the Market:** showing pride, enthusiasm and dedication in everything we do for the benefit of the Market
- **Customer focused:** supporting each other and our trader community, encouraging the best service and quality for Market customers.

THE BOARD

The Board is responsible for strategic direction and monitoring the performance of QVM Pty Ltd.

Directors are appointed to the Board of QVM Pty Ltd for periods of up to three years.

The QVM Pty Ltd Chief Executive Officer and the Chief Financial Officer/Company Secretary attend each Board meeting, with additional management staff attending as required.

Queen Victoria Market Pty Ltd Board Meeting attendance 1 July 2023 - 30 June 2024

Attendance by Directors at Board meetings held during the financial year are detailed below:

Board Member	Eligible to attend	Attended
Jane Fenton AM - Chair	9	9
Di Laws - Deputy Chair	9	9
Sandy Chakravarty	9	8
Emma Germano	9	9
Luke Hilakari	9	8
Jane Hodder (Resigned 26 October 2023)	4	3
Michael Tenace	9	7

ABOUT THE BOARD OF DIRECTORS



JANE FENTON AM · CHAIR

Jane has significant experience as a non-executive director.

She has a background in marketing communications, stakeholder engagement and reputation management and founded and ran an award-winning strategic communications agency.

Jane is a past winner of a Victorian Telstra Business Woman Award and is a Fellow of both the Public Relations Institute of Australia and the Australian Institute of Company Directors.

Jane is currently also an independent director of UniMutual Pty Ltd, a member-based organisation that provides risk protection and risk management services to members in the tertiary education sector and a mentor for Kilfinnan.

She has previously chaired VicHealth, Very Special Kids, the Queen Victoria Women's Centre Trust and Gather My Crew, been Deputy Chair of Cancer Council Australia, a member of the MCG Trust and a director of the Murdoch Children's Research Institute as well as participating in many advisory committees. Jane was made a Member of the Order of Australia for her services to the community.





DI LAWS

Di has more than 25 years' experience in executive leadership roles in the retail and wholesale industries across Australia and the Asia Pacific.

This experience extends across diverse business models including vertically integrated, concession, distributor, franchise, and licensee structures. From global fashion brands to general merchandise and FMCG, Di's experience has been gained in fast growth, turnaround, and transformation business environments.

Di serves on the Victorian Tourism Industry Council as a non-executive director and works as an Independent Advisor specialising in Small to Medium Enterprises. This work includes developing governance frameworks, serving on board sub committees, facilitating strategic planning, and providing executive coaching to improve leadership and execution capabilities.

Di is a graduate of the Australian Institute of Company Directors with a Master of Business Management from Swinburne University.

She also holds a Graduate Certificate in Retail Leadership from the Australian Retailers Association (ARA) Retail Institute, and has facilitated accredited Graduate Certificate, Diploma and Certificate IV programs in Retail Leadership for this national retail body.



SANDY CHAKRAVARTY

Sandy is a strategic and innovative leader with an executive and non-executive career of more than 25 years spanning Australian and international blue-chip organisations including Australian Red Cross, Boston Consulting Group, Bristol-Myers Squibb, Ingersoll-Rand and more recently State Trustees.

Sandy has extensive leadership experience across corporate and commercial functions driving strategic, commercial and transformational initiatives.

Governance, steering organisations towards a growth trajectory and excellence in navigating organisations through crises are particular passions for Sandy. She is culturally astute and has a collaborative leadership style.

Sandy currently serves as the Chair of the Finance Audit, Risk Committee at the Thrive Refugee Enterprises. Sandy's previous Board and Committee experience includes Southern Metropolitan Cemeteries Trust, Australian Red Cross Blood Service (LifeBlood), International Women's Development Agency, Link Community Transport, Eating Disorders (Vic), and the National Association of Women in Operations.



EMMA GERMANO

Emma Germano is Managing Director of her family mixed operation I Love Farms. Growing fresh vegetables for local and export markets, as well as running sheep and beef cattle, I Love Farms has a firm focus on sustainability and strives to connect with Australian consumers. I Love Farms has a farm-gate store which assists to increase the community's understanding of food and fibre production.

Emma is the current Victorian Farmers Federation President and Board Member of the Melbourne International Flower and Garden Show.

Emma is also a Nuffield Scholar (2014), her research examining global export opportunities for Australian primary producers. Ultimately, Emma strives to be a strong voice, representing Australian growers and ensuring a vibrant and sustainable future for agriculture in Australia.



LUKE HILAKARI

Luke leads the Victorian union movement in his role as Secretary of the Victorian Trades Hall Council (VTHC), representing over 40 unions and 500,000 union members from every sector of the workforce. He graduated Monash University with Bachelor of Arts with first class honours and has completed the Australian Institute of Company Directors course.

Luke has over 20 years of experience in serving on a number of community and commercial boards as well as a range of not for profits. He is currently a member of the Victorian Skills Authority, Australian Progress, the Premier's Mentally Healthy Workplaces Advisory Group, as well as several additional Victorian Government advisory committees.

Luke has a passion for markets, working with his father as a trader from a young age. He passionately believes that markets play a crucial role in bringing communities together, supporting the livelihoods of families while delivering quality fresh food and goods to local residents.



MICHAEL TENACE

Michael has extensive business, finance and executive leadership experience and has had proven success leading multiple functions (Chief Investment Officer, Chief Financial Officer, Chief Procurement Officer). His experience includes both public and private sector enterprises in domestic and international markets.

Michael is an experienced Board member with strategic, commercial and transformational skills. He understands the importance of good governance as a Director of numerous companies over the past 25 years including Australian Air Express, iPrint Pty Ltd and as a Trustee Director of the Australia Post Superannuation Scheme (APSS). He has a demonstrated history of working in the consumer services, superannuation, industrial products and FMCG industries. He is a Fellow of CPA Australia and a Graduate of Australian Institute of Company Directors.

He has Chaired numerous Board committees including Audit, Risk and Compliance Committees. Michael was the Chief Financial Officer and General Manager Corporate Services for the City of Melbourne, where he provided strategic, financial, information technology and operational advice and managed subsidiary companies and investments.

COMMITTEES OF THE BOARD

In 2023-24, QVM Pty Ltd had three Board committees.

Audit, Risk & Finance Committee

The Audit, Risk and Finance Committee oversees the financial management of QVM Pty Ltd and receives reports from both internal and external auditors. This committee also reviews risk management policies and practices.

Committee Member attendance at meetings in 2022-23 is detailed below:

Member	Eligible to attend	Attended
Sandy Chakravarty - Chair	4	4
Jane Fenton AM	4	4
Jane Hodder (Resigned 26 October 2023)	1	1
Di Laws	3	3

Nomination & Remuneration Committee

The Remuneration and Nomination Committee plays a pivotal role in supporting and advising the Board to fulfill its responsibilities to the organisation's members. The Remuneration and Nomination Committee addresses crucial aspects related to Board composition, structure, senior executive selection and performance, as well as other pertinent matters as required.

Committee Member attendance at meetings in 2023-24 is detailed below:

Member	Eligible to attend	Attended
Jane Fenton AM	1	1
Michael Tenace	1	1

Strategy Committee

The Strategy Committee provided advice and recommendations to facilitate decision making by the Board on the strategic direction of the Company and assist the Board with oversight into the implementation and execution of the Company strategic plan.

The Committee was disbanded following the 27 July 2023 meeting.

Committee Member attendance at meetings in 2023-24 is detailed below:

Member	Eligible to attend	Attended
Di Laws - Chair	1	1
Rob Adams AM - Independent member	1	1
Jane Fenton AM	1	1
Emma Germano	1	0
Luke Hilakari	1	0

Trader Representative Committee

The Trader Representative Committee consists of Queen Victoria Market traders and Board members and plays an important role in service as representatives for all sections of the Market, providing feedback and guidance to both QVM Pty Ltd and trader constituents on upcoming projects, the Renewal Program and the day-to-day operations of the Market.

The Trader Representative Committee is Chaired by Nancy Policheni and Deputy Chaired by Vivek Kumar Jain.

There were seven meetings of the committee in 2023-24 with at least one Board Members rostered to attend each meeting.

YEAR IN REVIEW - HIGHLIGHTS

2023-24 was a positive year for QVM Pty Ltd, with many achievements as we continue to manage the last lingering impacts of the COVID-19 pandemic while navigating the ongoing challenges of Market Renewal works. Outlined below are highlights in the following focus areas:

1. Visitor attraction and experience
2. Marketing, advertising and promotion
3. Social media and online
4. Programming and events
5. Visitor services
6. Safety, operations and physical environment
7. QVM Precinct Renewal

Visitor attraction and experience

The number of day market visitors increased by 564,656 to 7,680,073 across the 2023-24 year – a 7.9% increase on the 2022-23 total of 7,115,417.

Our 40 Night Market events over four seasons throughout the year added another 600,000-plus visitors.

Visitation and experience are driven by numerous elements including:

- Marketing, advertising and promotion;
- Social media and online;
- Events and programming; and
- Visitor services including market tours.

Marketing, advertising and promotion

Initiatives implemented and progressed throughout 2023-24 to attract customers and adapt to the changing retail landscape, in line with the Future Market Strategy included:

- ‘Make it a Market Day’ campaign continued targeting Melburnians using a mix of media including radio, outdoor, press and digital.
- Developed a brand refresh to align creative and messaging allowing consumers to easily identify QVM messaging and branding across various campaigns (will be rolled out in coming year).
- Traders participated in multiple campaigns including Easter, Orthodox Easter, Mother’s Day, Father’s Day, Truffle Tasting event, and Christmas (including the Christmas Gift Guide).
- Extensive promotion of events, festivals, pop up markets, school holiday workshops and other activity to encourage visitation including QVM Pty Ltd owned events like the Donut Festival and Truffle Tasting Event.
- Working with the City of Melbourne, Melbourne University and Student Insider to promote and drive visitation to the Market among international students via voucher programs and relevant content.



Social media and online

In 2023-24, the Market's website and social media channels continue to be vital tools for attracting customers, promoting events and supporting the trader experience, highlights include:

- In February a new social media strategy was created and implemented to drive stronger engagement, growth and organic reach.
- Our paid social strategy was refined with more sophistication around analytics, allowing change to future campaign to improve results.
- Strong engagement and growth across digital and social channels including 4.6% day market engagement, 4.8% night market engagement, growth in followers on Facebook (up by 3.7%) and Instagram (up by 23.9%), plus the launch of two new Chinese social media platforms, Little Red Book and WeChat.
- Continued operation and growth of Queen Victoria Market Online in a competitive online grocery environment and fulfilment of more than 26,000 orders since launch.
- With a website refresh completed in May, there was an increase in page views from 3.35 million in FY22/23 to 3.95 million in FY23/24.
- New email marketing platform was implemented in June which has delivered increased customer segmentation, automation, and analytics tools.
- Average e-news open rate of 38% (increase by 7%)

Programming and events

In 2023-24, the programming and event calendar played a pivotal role in driving visitation, supporting the Market and improving the experiences of customers and traders. Key highlights included:

- Staging of four seasons of the night market with accompanying marketing and PR campaigns, attracting more than 600,00 visitors.
- Opening Summer Night Market featured MasterChef filming onsite providing great promotional exposure.
- A partnership with the Melbourne Fringe Festival, leading to the creation of the Festival Park at Testing Grounds' Public Art Park. The Festival Park featured the Vault, roving entertainment, a beer garden, and a food truck park.
- The return of large-scale community events and festivals on weekends, including the African Festival, EID Festival, Turkish Pazar, Indonesian and Philippine Festival, and Portuguese Festival.
- The highly successful return of QVM Pty Ltd's Donut Festival, which received extensive media coverage.
- The trial of new markets, including the Vintage Market, and collaborations with Melbourne Fashion Festival's Fashion Edit and Melbourne Food and Wine Festival's Little Italy Festival.
- Various third-party activations, such as the Mushroom Festival, Day of the Dead celebrations, and Sustainability Living Festival workshops.
- Continued event and activation collaborations with external stakeholders delivered:
 - The Melbourne Book Market, and
 - CRFT*WRK, a monthly craft fair presented by Rose St Artists' Market.

Event operational highlights:

- Implemented a new point-of-sale systems for our Night Market bar operations.
- Implementation of waste and electrical charges for Night Market traders.
- Trialled revenue share model of stall fees for food vendors at the June 2024 Winter Night Market.
- Trialled extended footprint, maximum capacities and restricted access to assist in managing large crowds during peak Night Market periods.
- Implementation of new fees structure for venue hire and third-party events.



Visitor services

A range of initiatives were progressed in 2023-24 to engage with customers and improve the experience while visiting the Market, highlights include:

- Overall attendance of the tours program increased by 27% year on year.
- Net profit of tours program increased by over 50 percent. (Due to an increase in attendance coupled with a decrease in expenses. Specialist tours program diversified to include sustainability, truffle, seafood and 'Wake up with the Market' tours.
- Establishment of the QVM Accessibility Committee with 11 voluntary members. Developed the first draft of the QVM Disability Inclusion Action Plan.

Safety, operations and physical environment

Continued progress was made throughout 2023-24 to improve safety across the precinct, and enhance operations and the Market's physical environment. Further improvements in the Market's environmental sustainability performance were achieved, consistent with QVM Pty Ltd Sustainability Plan 2022-27.

Key functions of the safety, operations and physical environment are:

- Capital projects,
- Occupational health and safety, and
- Sustainability.

Capital projects

- Completion of 2023-4 annual asset management plan.
- Construction of new Tatts kiosk on Therry Street.
- Award of new loading dock booking system.
- Completion of A Shed fire services valves replacement works.
- Completion of tendering of 2024 to 2029 asset management services and awarded year 1 works.
- Commencement of Meat Hall vaulted roof rectification works.

Occupational Health and Safety

- Implemented the Loading, Unloading, Exclusion Zone (LUEZ) Guidelines for improved management of the loading zones on Queen Street.
- Introduced Safety Hub, an online safety tool, to improve delivery of workplace safety training for QVM employees.
- Introduced WHS Monitor, an online contractor prequalification system, to improve management of contractors on site.
- Implementation of regular electrical safety auditing.
- Tendered for the Security Service across the site.

Sustainability

- Implemented second year of Sustainability Plan 2022-27, working towards achieving a zero carbon and zero waste environment for the Market operations by 2027.
- Upgraded water and electrical meters across the Market site to improve monitoring and understanding of water and electricity usage across the site.
- Removed the use of single use plastic cups and replaced with reusable cups at the QVM operated bars at all Night Markets.
- Diverted an average of 77.5% of waste from landfill for the year, up to a maximum of 80% diverted in some months.

QVM Precinct Renewal

Throughout 2023-24, QVM Pty Ltd continued to work closely with the City of Melbourne to scope, plan and deliver Market Renewal projects in accordance with the Master Plan, updated Renewal Business Case (2021) and strategic priorities.

This has focused on planning each stage of works, including transitional arrangements to facilitate continuity of Market operations and to minimise disruption to traders and customers during works.



Renewal works with QVM Pty Ltd support:

- Completion and opening of Queen's Food Hall in November 2023.
- Completion of Shed Restoration project with only H and I Sheds gable ends structural rectification to be finalised.
- Completion of Victoria Street toilet refurbishment project.
- Planning and preparation for Franklin Street Stores relocation including alterations to the car parking arrangements.
- Commencement of Trader Shed construction.
- Transition of back of house facilities to temporary location in I Shed to support trader operations while Trader Shed is under construction.
- Completion of Deli Lane schematic design.
- Completion of Market buildings program detailed design.
- Completion of design for upcoming Waste Hub (Northern Shed) and Queen Street Public Realm projects.
- Contributed towards Queens Corner Building business case.
- Contributed towards Market Square concept design.
- Completion of Franklin Street roundabout removal.

Renewal works driven by QVM Pty Ltd

- Commencement of GM point-of-sale (POS) design guidelines trader engagement sessions.
- Commencement of GM retail market infrastructure design.
- Approval of 18 fruit and vegetable trader applications for fresh produce POS improvements.

FINANCIAL STATEMENTS

Queen Victoria Market (QVM) Pty Ltd was able to deliver a better financial result than budgeted in 2023-24 thanks to a combination of revenue growth and a strong focus on managing expenses.

The most significant component of improving the financial performance of the Market is increasing occupancy of shops and stalls. Food Hall and F Shed became available during the financial year, providing the opportunity to increase lease revenue and 100% occupancy has been achieved.

The realignment of QVM Pty Ltd's organisational structure has created a much stronger focus on new trader attraction to increase the occupancy of the sheds which is immediately having an impact on performance.

The financial strategy also involves implementing several revenue repair measures to fairly allocate costs for services heavily utilised by some traders.

During 2023-24, these measures included returning to the annual 4% increase in stall fees (equivalent to \$7 - \$8 per week), introducing a revenue model for the night market's food vendors (consistent with other major events in Melbourne), increasing the cost of the first two hours of parking from \$6 to \$7, and increasing the site fees associated with third-party events, held at the Market from \$500 to \$5,000.

Recognising the cultural, social and economic value of these events to the Market community, eligible not-for-profit and community organisations can apply for in-kind sponsorship to reduce the site fee.

During 2023-24, the introduction of a user-pays approach for electricity and a 55% contribution towards waste disposal costs (with the balance continuing to be absorbed by QVM Pty Ltd) was announced. These changes will come into effect during 2024-25 to provide traders adequate time to adjust.

A charge was also announced for a small number of Dairy Hall's traders selling ready to eat products that are the key beneficiaries of the provision and cleaning of tables and chairs in Deli Lane, using the same principle as the waste disposal costs. This ensures all traders selling these type of products fairly share the cost of maintaining the facilities.

These changes are necessary as the costs of managing the Market started exceeding revenue some years ago and can no longer continue to be absorbed by QVM Pty Ltd.



Between 2015 and 2022, primary costs of managing the Market increased by 28.3%, exceeding inflation over the same period of 21.57%. By comparison, license fees paid by traders only increased by a total of 5.08% (compounded), clearly an unsustainable situation.

Even as the company's financial position has improved over the past year, the forecast for the next couple of years indicates that financial support from the City of Melbourne will continue to be required through the disruption of Market Renewal and as new facilities and services are delivered that significantly impact the traditional operations of the Market.

Financial results

QVM Pty Ltd recorded a profit of \$419,513 after providing for income tax, compared to a profit of \$7,877 in 2022-23.



**Financial Statements for Queen Victoria Market Pty Ltd
for the year ended 30 June 2024**

ACN: 069 959 771

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DIRECTORS' REPORT

The directors present their report on Queen Victoria Market Pty Ltd (the Company) for the financial year ended 30 June 2024.

Information on Directors:

The names of the Company's directors in office during the financial year and until the date of this report are as follows.

Jane Fenton AM (Chair)
 Dianne Laws (Deputy Chair) (from 03/10/2023)
 Sandhya Chakravarty
 Emma Germano
 Luke Hilakari
 Michael Tenace
 Jane Hodder (Deputy Chair) (from 18/10/2018 to 26/10/23)

Directors were in office for the entire period unless otherwise stated.

Principal Activities:

The principal activities of the Company during the course of the financial year has been the management of the Queen Victoria Market. There were no significant changes in the nature of the activities of the Company during the year.

Objectives:

The Future Market Strategy prepared by the Board and Management of Queen Victoria Market in 2021 aims to preserve the Market's heritage and core offer to keep serving current customers, while enhancing the offer and experience to meet the needs of more Melburnians.

The Strategy will support the Market's recovery from the COVID-19 pandemic and longer-term revitalisation, outlining retail plans, operational improvements and investment for the next five years to achieve this. The Strategy complements and depends upon the City of Melbourne's Market Renewal Program currently underway, which will retain and restore the Market's historic structures, while improving facilities and infrastructure for traders, customers and visitors.

The Company's objectives are to:

- Repair QVM Pty Ltd's financial position
- Build a stronger local customer-base by positioning the Market as Melbourne's premier food, shopping and event destination
- Managing disruption and delivering on Market, trader and customer needs through Renewal
- Supporting traders in a challenging and changing environment
- Operating a traditional marketplace in the 21st century

In order to meet these objectives the following targets have been set for the 2025 financial year and beyond:

- Delivering our core responsibilities to operate the market as an authentic and beloved open air market
- Facilitating the delivery of the Renewal program to minimise impacts on traders and customers as critical physical infrastructure is revitalised and delivered
- Implementing the Future Market Strategy to preserve our heritage while enhancing our ability to meet the future needs of more Melbournians

Operating Results:

The Company recorded a profit of \$419,513 after providing for income tax, compared to a profit of \$7,877 in 2023.

Reflecting on the year:

The Company achieved a stronger financial performance through a combination of revenue growth and a strong focus on managing expenses. A significant part of our strategy involved implementing several revenue repair measures to cover increasing costs as fairly as possible and help secure the financial sustainability of the market. These measures included introducing a user-pays contribution for externally sourced services such as electricity, waste management, and cleaning, along with annual increases to license fees and car parking rates.

In 2024, the Company successfully increased visitation, with customers reporting a high degree of satisfaction with the Market. Our efforts to enhance the customer experience, coupled with strategic adjustments in our financial and operational practices, have been well received. The feedback from our customers underpins the effectiveness of our initiatives and reaffirms our commitment to delivering value and satisfaction.

Overall, the combination of these efforts has positioned the Company for sustained growth and profitability. We are proud of our achievements in 2024 and remain committed to building on this momentum in the coming years

Market Renewal

The Company and surrounding precinct is undergoing a significant process of renewal through the City of Melbourne's Renewal Program. The Renewal Program is restoring the Company's heritage while delivering modern facilities to make the Company work better for traders, customers and visitors, and revitalising this growing part of the city.

Works planned to be undertaken throughout the lease term include (but are not limited to) restoration of the Company open-air heritage sheds; new and improved facilities for traders and Market operations; new Market car parking; a new public open space; improved weather protection; refurbishment and restoration of the Market's heritage buildings and structures (including the heritage sheds; Dairy, Meat and Fish Halls); improved streetscapes; more pedestrian-friendly spaces and places for customers to sit, eat and relax. This will include works to surrounding roads and streetscapes.

Renewal highlights during 2024 included:

- Commencement of the construction of a new seven level trader storage and logistics facility between the Meat and Fish Hall and H Shed. This will replace the current 1980s meat delivery and offal building and will include loading docks, climate controlled storage, waste and recycling facilities and enhanced trader amenities and new public facilities"
- Completion of a significant refurbishment of the existing Food Court transforming the space into a modern dining space
- Restoration of sheds, with the award winning works retaining the history and character of the sheds while improving stability and preventing future damage
- Therry Street upgrade as a key gateway into the market, featuring wider footpaths, greenery, lighting and dining spaces for customers to stop and enjoy.
- Refurbishment of the Victoria Street restrooms as part of the Heritage Buildings works program to modernize the facilities and address increased demand.

The Company has an established letter of comfort and a funding agreement with the City of Melbourne in place. (see Note 1.3 for further detail).

Dividends paid or recommended:

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Going Concern

The Letter of Support from City of Melbourne guarantees financial stability and continuous company trading for Queen Victoria Market through to the end of Queen Victoria Marke Renewal Project. In addition the Short-Term Funding Agreement entered with the City of Melbourne ensures the company remains solvent during the funding period.

Director Meetings:

The number of Directors’ meetings held during the financial year ended 30 June 2024, are set out below:

Director	Held	Attended
Jane Fenton AM (Chair)	9	9
Dianne Laws (Deputy Chair) (from 03/10/2023)	9	9
Sandhya Chakravarty	9	8
Emma Germano	9	9
Luke Hilakari	9	8
Michael Tenace	9	7
Jane Hodder (Deputy Chair) (from 18/10/2018 to 26/10/23)	4	3

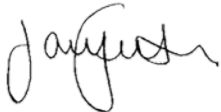
Indemnification and insurance of auditors:

Queen Victoria Market holds valid Directors and Officers Liability Insurance via XL Insurance Company SE. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of Queen Victoria Market.

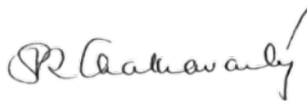
Auditors Independence Declaration:

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 3 and forms part of the Director's Report.

Signed in accordance with a resolution of the Directors



Jane Fenton AM
Chair of Board



Sandhya Chakravarty
Director

22 August 2024

DIRECTORS' DECLARATION

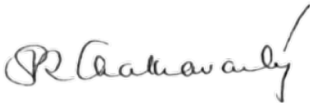
In the opinion of the Directors of Queen Victoria Market Pty Ltd:

1. The financial statements and associated notes of Queen Victoria Market Pty Ltd are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of its financial position as at 30 June 2024 and of its performance and cash flows for the financial year ended on that date; and
 - ii. Complying with the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
2. As a result of the financial support provided by the City of Melbourne, there are reasonable grounds to believe that Queen Victoria Market Pty Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Jane Fenton AM
Chair of Board



Sandhya Chakravarty
Director

22 August 2024

Auditor-General's Independence Declaration

To the Board of Directors, Queen Victoria Market Pty Ltd

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.

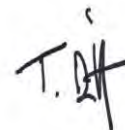
Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Queen Victoria Market Pty Ltd for the year ended 30 June 2024, 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
30 August 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

		2024	2023
		\$	\$
	Notes		
Revenue:			
Market Rental Revenue	3.1	16,506,497	14,542,759
Car Parking Fee Revenue		4,664,071	4,627,388
Night Market – Bar Sales		1,824,446	1,949,764
City of Melbourne Grant	1.3	1,000,000	2,450,000
Other Revenue	3.2	1,960,811	1,421,404
Total Revenue		25,955,825	24,991,315
Expenses:			
Employee Benefits Expense	4.1(a)	7,451,112	7,344,268
Contracted Expenses	4.2	7,470,616	6,994,636
Materials & Services	4.3	6,055,113	6,226,717
Depreciation	4.4	474,130	614,433
Amortisation - Right of Use Assets	5.4	384,554	390,290
Utilities	4.5	1,598,405	1,454,512
Finance Costs - Leases	6.8	76,617	84,132
Other Expenses	4.6	2,006,130	1,922,192
Total Expenses		25,516,677	25,031,180
Profit/(Loss) before income tax		439,148	(39,865)
Income Tax Equivalent Benefit	8.1	(19,635)	47,742
Profit/(Loss) after income tax for the year		419,513	7,877
Total Comprehensive Income/(Loss) for the year		419,513	7,877

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2024

	Notes	2024 \$	2023 \$
Current Assets			
Cash & Cash Equivalents	5.1	2,802,539	2,105,518
Other Financial Assets	6.1	2,005,072	2,000,000
Trade & Other Receivables	6.2	1,288,936	1,240,449
Other Assets	6.3	174,176	180,543
Total Current Assets		6,270,723	5,526,510
Non-Current Assets			
Deferred Income Tax Equivalent Assets	8.2	500,946	520,579
Property, Plant & Equipment	5.3	1,463,048	1,614,866
Right of Use Assets	5.4	2,721,366	3,105,919
Total Non-Current Assets		4,685,360	5,241,364
Total Assets		10,956,082	10,767,874
Current Liabilities			
Trade & Other Payables	6.4	791,020	1,186,804
Accrued Expenses	6.5	1,459,476	769,664
Other Liabilities	6.6	441,617	559,274
Refundable Deposits	6.7	532,330	471,827
Employee Provisions	4.1(b)	1,252,429	1,429,913
Lease Liabilities	6.8	531,599	500,697
Unearned Revenue		431,758	421,029
Total Current Liabilities		5,440,229	5,339,208
Non-Current Liabilities			
Refundable Deposits	6.7	2,129,318	1,887,310
Lease Liabilities	6.8	1,874,767	2,452,707
Employee Provisions	4.1(b)	181,802	178,195
Total Non-Current Liabilities		4,185,887	4,518,212
Total Liabilities		9,626,116	9,857,420
Net Assets		1,329,967	910,454
Equity			
Contributed Equity	7.1	200,000	200,000
Retained Earnings		1,129,967	710,454
Total Equity		1,329,967	910,454

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2024

		2024	2023
		\$	\$
	Notes	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from Operating Activities			
Receipts from customers		24,841,117	22,401,423
Payments to employees and suppliers		(24,264,971)	(22,469,012)
City of Melbourne grant		1,000,000	2,450,000
Interest received		76,952	42,390
Finance costs		(86,216)	(115,281)
Net cash provided by Operating Activities	5.2	<u>1,566,882</u>	<u>2,309,519</u>
Cash flows from Investing Activities			
Payment for property, plant and equipment		(322,313)	(434,442)
Net cash flows used in Investing Activities		<u>(322,313)</u>	<u>(434,442)</u>
Cash flows from Financing Activities			
Repayment of lease liabilities		(547,548)	(432,565)
Net cash flows used in Financing Activities		<u>(547,548)</u>	<u>(432,565)</u>
Net Increase in Cash and Cash Equivalents		697,021	1,442,512
Cash at the beginning of financial year		2,105,518	663,005
Cash and Cash Equivalents at end of year	5.1	<u>2,802,539</u>	<u>2,105,518</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Contributed Equity	7.1	<u>200,000</u>	<u>200,000</u>
Retained Earnings			
Opening Balance		710,454	702,577
Total Comprehensive Income for the year		419,513	7,877
Total Retained Earnings at the end of the Financial Year		<u>1,129,967</u>	<u>710,454</u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. NOTES TO THE FINANCIAL STATEMENTS

Queen Victoria Market Pty Ltd (referred to as Queen Victoria Market) is a proprietary for profit company incorporated under the *Corporations Act 2001*, and is domiciled in Australia. The Company's registered office and principal place of business is Level 10, 501 Swanston Street, Melbourne, VIC 3000.

The principal activity of the company has been the Management of the Queen Victoria Market.

Structure

- 1.1 Basis of Preparation
- 1.2 Critical accounting estimates and judgments
- 1.3 Going concern basis

1.1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

The financial statements except for the statement of cash flow have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of these financial statements are presented in the accounting treatment area of the relevant notes and are consistent with prior reporting periods unless otherwise stated.

1.2 Critical accounting estimates and judgments

In application of the Company's accounting policies, the Company is required to make judgements, estimates and assumptions about carrying values of certain assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Information about critical assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed in the following notes:

Accounting estimates and judgements

- Revenue recognition (refer Note 3.2)
- Employee provisions (refer Note 4.1b)
- Depreciation methods, useful lives and residual value of property, plant and equipment (refer Note 5.3a)
- Impairment of assets (refer Note 6.2)
- The determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.4)

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods.

The functional and presentation currency of the Company is Australian Dollars, with all amounts rounded to the nearest dollar.

1.3 Going concern basis

When preparing financial reports, directors shall make an assessment of an entity's ability to continue as a going concern. When directors are aware, in making their assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed.

The financial statements have been prepared on a going concern basis. As at 30 June 2024, current assets exceed current liabilities by \$830,494 (2022-23: current liabilities exceed current assets by \$187,302). The Directors believe that the Company is a going concern because of continued support from its parent entity the City of Melbourne.

1. NOTES TO THE FINANCIAL STATEMENTS (continued)**Letter of Support**

In a letter dated 29 August 2017, The City of Melbourne, as the company's shareholder committed to providing additional support to Queen Victoria Market through to the end of the "Queen Victoria Market Renewal Project". This letter of support guarantees financial stability and continuous company trading for Queen Victoria Market.

Funding Agreement:

The City of Melbourne, as the company's shareholder, has entered into a Short -Term Funding Agreement with Queen Victoria Market to provide financial support to the Company. The purpose of this agreement is to ensure the company remains solvent during the funding period and to ensure the continuation of the going concern status of the company. The funding period expires 30 June 2025.

Queen Victoria Market was the recipient of a City of Melbourne Grant of \$1,000,000 (2022-23 \$2,450,000). This Grant was provided to assist the Company to meet it's ongoing financial commitments.

Letter of Comfort:

The City of Melbourne has provided the Board with a letter of comfort confirming:

That the City of Melbourne will provide the Queen Victoria Market with financial support via a Short-Term Funding Agreement to ensure it remains solvent during the funding period and to ensure the continuation of the going concern status of the company. The Funding Agreement is detailed above.

3. OUR REVENUE

Introduction to this section

The company's objective is to establish and maintain relationships with business operators and the Greater City of Melbourne community to ensure that Queen Victoria Market is the premier market in Victoria and Australia and one of the premier historic markets around the world.

Queen Victoria Market receives the majority of its income from Lease Rental – fixed locations, Licence Fees – flexible open shed locations, car parking and Night Market - Bar Sales.

Structure

3.1 Market Rental Revenue

3.2 Other Revenue

	2024	2023
	\$	\$
Note 3.1 Market Rental Revenue		
Lease Rental – fixed locations	7,304,559	6,555,685
Lease Rental – AASB 16 Lease Straightline	(108,234)	318,945
Licence Fees – flexible open shed locations	6,252,736	5,516,524
Casual licence fees – flexible open shed locations	799,884	430,425
Licence fees – Night Markets	1,704,881	1,397,585
Venue Hire	<u>552,671</u>	<u>323,595</u>
Total Market Rental Revenue	<u><u>16,506,497</u></u>	<u><u>14,542,759</u></u>

Lease Rental – fixed locations and Licence Fees – flexible open shed locations are recognised on a straight-line basis over the lease term. All other rentals are recognised as revenue when performance obligations are satisfied.

Note 3.2 Other Revenue

Utility & Rates Recoveries	804,334	634,529
QVM Online	230,120	233,491
Walking Tours	209,860	165,549
Interest Revenue	76,952	42,390
Other Revenue	<u>639,545</u>	<u>345,445</u>
Total Other Revenue	<u><u>1,960,811</u></u>	<u><u>1,421,404</u></u>

In line with AASB 15 Revenue from Contracts with Customers, revenue is recognised when (or as) a performance obligation is satisfied at the amount of the transaction price that is allocated to that performance obligation.

Other Revenue is measured at the fair value of the consideration received or receivable and is recognised when Queen Victoria Market gains control over the right to receive the income.

4. THE COST OF OUR OPERATIONS

Introduction to this section

For the Queen Victoria Market to deliver its services to the high standards expected by our community and stakeholders, a diverse and skilled workforce is paramount. Whether it's providing traders with continuous service, creating a safe and enjoyable environment for visitors to the market, providing must see events for the community like the Summer and Winter Night Markets, Queen Victoria Market is proud to have a workforce that's committed to creating and maintaining a vibrant, healthy, sustainable market.

Structure

- 4.1 Employee benefits and employee provisions
- 4.2 Contracted Expenses
- 4.3 Materials & Services
- 4.4 Depreciation
- 4.5 Utilities
- 4.6 Other Expenses

	2024	2023
	\$	\$
Note 4.1(a) Employee benefits		
Wages & Salaries	6,342,965	6,294,648
Superannuation	711,545	626,169
Payroll Tax	315,693	349,125
Workcover	44,451	55,564
Training	36,458	18,762
Total Employee Benefits	<u>7,451,112</u>	<u>7,344,268</u>

Superannuation

Queen Victoria Market makes employer superannuation contributions to employees' complying accumulation superannuation funds. Obligations for contributions are recognised as an expense in profit or loss when they are incurred.

Accumulation Fund

The accumulation funds, (including the Local Authorities Superannuation fund's accumulation category, Vision Super Saver), receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (11% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of each individual fund.

Defined Benefit Plan

Queen Victoria Market does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. Contributions are determined by the Trustee on the advice of the Fund's Actuary.

Queen Victoria Market has one employee that qualifies for the defined benefit plan.

Notes to the Financial Report continued

	2024	2023
	\$	\$
Note 4.1(b) Employee Provisions		
Current expected to be wholly settled within 12 months		
Annual leave	264,019	369,760
Long service leave	125,118	148,730
	<u>389,137</u>	<u>518,490</u>
Current expected to be wholly settled after 12 months		
Annual leave	154,287	68,619
Long service leave	709,005	842,804
	<u>863,292</u>	<u>911,423</u>
Total Current balance	<u><u>1,252,429</u></u>	<u><u>1,429,913</u></u>
Non-Current Provision:		
Long service leave	181,802	178,195
Total Employee Provisions	<u><u>1,434,231</u></u>	<u><u>1,608,108</u></u>

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and other employee benefits when it is probable that settlement will be required and they are capable of being measured reliably through the method below:

- Short-term employee benefits - measured at their nominal values using the remuneration rate expected to apply at the time of settlement plus related on costs in respect of employees' services up to reporting date.
- Long-term employee benefits - measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date. Re-measurements are recognised in profit or loss in the period in which they arise.

Critical accounting estimates and judgements

For long-term employee benefits: The calculation of the present value of the estimated future cash outflows requires the following key assumptions:

	2024	2023
Estimates and Judgements		
Discount Rate	4.19% - 4.45%	1.50% - 3.69%
Inflation Rate	4.45%	3.85%
Settlement Period	7 years	7 years

Note 4.2 Contracted Expenses

Cleaning	5,562,412	5,261,349
Security	1,215,219	1,121,654
Car Park Management	421,392	338,518
Software Maintenance	271,593	273,115
Total Contracted Expenses	<u><u>7,470,616</u></u>	<u><u>6,994,636</u></u>

Notes to the Financial Report continued

	2024	2023
	\$	\$
Note 4.3 Materials & Services		
Advertising & Marketing	1,254,623	1,455,936
Repairs & Maintenance	1,472,741	1,623,985
Consultants	907,312	710,353
COGS - Bar Stock	460,336	559,929
Equipment Hire	425,010	417,236
Insurance	429,578	394,480
Entertainment	362,411	288,259
Contractors	333,083	308,632
Legal Fees	264,712	225,929
General Supplies	145,307	241,978
Total Materials & Services	<u>6,055,113</u>	<u>6,226,717</u>
Note 4.4 Depreciation		
Computer Equipment	90,755	231,507
Leasehold Improvements	88,130	112,890
Plant & Equipment	234,711	202,572
Furniture & Fittings	43,346	51,152
Motor Vehicles	17,188	16,312
Total Depreciation	<u>474,130</u>	<u>614,433</u>
Note 4.5 Utilities		
Electricity	853,636	845,986
Water	354,424	214,982
Rates	281,803	256,305
Telephone	76,086	107,751
Gas	32,456	29,488
Total Utilities	<u>1,598,405</u>	<u>1,454,512</u>
Note 4.6 Other Expenses		
Congestion Levy	894,710	910,794
Directors Fees	284,682	297,413
Administration Expenses	339,279	284,925
Audit Fees - Internal	79,236	42,500
Audit Fees - VAGO audit of Financial Statements	47,000	35,000
Bad & Doubtful Debts	130,594	93,902
Other Expenses	230,629	257,658
Total Other Expenses	<u>2,006,130</u>	<u>1,922,192</u>

Expenses are recognised in the reporting period in which they are incurred.

5. ASSETS AVAILABLE TO SUPPORT OUR FUNCTIONS

Introduction to this section

Queen Victoria Market controls infrastructure and other investments that are utilised in achieving its objectives, conducting its activities and fulfilling its projects.

Structure

5.1 Cash and cash equivalents

5.2 Reconciliation of profit/(loss) after tax to cash flows from operating activities

5.3 Property, plant and equipment

5.4 Right of Use Assets

	2024	2023
	\$	\$
Note 5.1 Cash & Cash Equivalents		
Cash at bank	2,135,563	1,735,981
Tenant security deposits - at bank	656,576	359,137
Car park float	10,400	10,400
Total Cash & Cash Equivalents	<u>2,802,539</u>	<u>2,105,518</u>

Cash at bank attracts interest rates of 4.45% - 4.80% (2022-23: 4.20% - 4.45%).

Restricted Cash & Cash equivalents at 30 June 2024 \$656,576 (2022-23: \$359,137), refer Note 6.7.

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and on hand.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash as defined above.

Note 5.2 Reconciliation of profit/(loss) after tax to cash flows from operating activities

	2024	2023
	\$	\$
Net Profit(Loss) after Tax	419,513	7,877
Non cash flows in operating activities		
Depreciation	474,130	614,433
ROU Assets - Amortisation charges	384,554	390,290
Deferred Income Tax Equivalent Benefit	19,635	(47,742)
	<u>1,297,832</u>	<u>964,858</u>
Changes in operating assets and liabilities		
Decrease/(Increase) in Trade and Other Receivables	(48,487)	(293,321)
Decrease/(Increase) in Other Assets	6,365	(3,575)
Decrease/(Increase) in Other Financial Assets	(5,072)	0
(Decrease)/Increase in Trade and Other Payables	(395,784)	262,252
(Decrease)/Increase in Refundable Deposits	302,512	218,371
(Decrease)/Increase in Accrued Expenses	690,318	249,518
(Decrease)/Increase in Other Liabilities	(117,655)	539,789
(Decrease)/Increase in Employee Provisions	(173,877)	116,163
(Decrease)/Increase in Unearned Revenue	10,730	255,464
Net cash inflow/(outflow) from operating activities	<u>1,566,882</u>	<u>2,309,519</u>

Notes to the Financial Report continued

	2024	2023
	\$	\$
Note 5.3 Property, Plant & Equipment		
<i>Plant & Equipment</i>		
At cost	2,910,508	2,645,010
Accumulated depreciation	<u>(2,375,265)</u>	<u>(2,140,555)</u>
Balance as at 30 June	535,243	504,455
<i>Furniture & Fittings</i>		
At cost	1,271,966	1,243,039
Accumulated depreciation	<u>(1,188,730)</u>	<u>(1,145,384)</u>
Balance as at 30 June	83,236	97,655
<i>Leasehold Improvements</i>		
At cost	2,829,152	2,673,372
Accumulated depreciation	<u>(2,271,419)</u>	<u>(2,183,289)</u>
Balance as at 30 June	557,733	490,083
<i>Computer Equipment</i>		
At cost	2,499,765	2,496,287
Accumulated depreciation	<u>(2,453,075)</u>	<u>(2,362,320)</u>
Balance as at 30 June	46,690	133,967
<i>Motor Vehicles</i>		
At cost	259,653	259,653
Accumulated depreciation	<u>(214,851)</u>	<u>(197,662)</u>
Balance as at 30 June	44,802	61,991
Work in Progress	<u>195,344</u>	<u>326,715</u>
Total Property, Plant & Equipment	<u>1,463,048</u>	<u>1,614,866</u>

Land and buildings used by the Company are owned by and included in the accounts of the City of Melbourne.

Notes to the Financial Report continued**Note 5.3(a) Property, Plant & Equipment**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below.

2024						
	Balance as at 1 July 2023	Additions	Disposals	Depreciation	Transfers	Balance as at 30 June 2024
Plant & Equipment	504,459	160,958	0	(234,711)	104,537	535,243
Furniture & Fittings	97,655	28,927	0	(43,346)	0	83,236
Leasehold Improvements	490,083	67,550	0	(88,130)	88,231	557,733
Computer Equipment	133,967	(10,212)	0	(90,755)	13,690	46,690
Motor Vehicles	61,990	0	0	(17,188)	0	44,802
Work in Progress	326,712	75,090	0	0	(206,458)	195,344
TOTAL Property, Plant & Equipment	1,614,866	322,313	0	(474,130)	(0)	1,463,048
2023						
	Balance as at 1 July 2022	Additions	Disposals	Depreciation	Transfers	Balance as at 30 June 2023
Plant & Equipment	457,819	227,647	0	(202,572)	21,565	504,459
Furniture & Fittings	130,185	4,841	0	(51,152)	13,781	97,655
Leasehold Improvements	602,657	316	0	(112,890)	0	490,083
Computer Equipment	331,808	480	0	(231,507)	33,186	133,967
Motor Vehicles	23,302	0	0	(16,312)	55,000	61,990
Work in Progress	249,090	201,154	0	0	(123,532)	326,712
TOTAL Property, Plant & Equipment	1,794,861	434,438	0	(614,433)	(0)	1,614,866

Capitalisation Policy/Depreciation

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The estimated useful lives used for each class of depreciable asset are shown below;

Leasehold improvements	10 years
Plant and Equipment	5 - 10 years
Furniture and fittings	1 - 7 years
Motor Vehicles	3 - 10 years
Computer equipment	1 - 5 years

The Company's policy is to capitalise and depreciate individual capital expenditure over \$2,000. Items of capital value of less than \$2,000 are treated as an expense.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Amortisation - Right of use assets

Leased properties	1 - 10 years
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Notes to the Financial Report continued**Note 5.4 Right of Use Assets**

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset

As lessees, the Company recognises a right-of-use asset and a lease liability (Note 6.8) at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, the Company uses an appropriate incremental borrowing rate as the discount rate of 3% (2022-23 3%).

The Company held two contracted leases during the financial year. Information about the leases is presented below;

	2024	2023
	\$	\$
Note 5.4(a) Right of use assets		
Property		
Balance 1 July 2023	3,105,919	3,496,209
Amortisation Charges - right of use	<u>(384,554)</u>	<u>(390,290)</u>
Balance 30 June 2024	<u>2,721,365</u>	<u>3,105,919</u>

The Company holds a design and construct carpark infrastructure lease and a lease for it's office premise. See Note 6.8 for the Lease liability measurement.

6. OTHER ASSETS AND LIABILITIES

Introduction to this section

This section includes other assets and liabilities that are working capital related and employed by Queen Victoria Market to support its day-to-day operating activities.

Structure

- 6.1 Other Financial Assets
- 6.2 Trade and Other Receivables
- 6.3 Other Assets
- 6.4 Trade and other payables
- 6.5 Accrued Expenses
- 6.6 Other Liabilities
- 6.7 Refundable Deposits
- 6.8 Lease Liability

	2024	2023
	\$	\$
Note 6.1 Other Financial Assets		
Tenant security deposits	2,005,072	2,000,000
Total Other Financial Assets	2,005,072	2,000,000

The funds are held on behalf of tenants and not available for day-to-day operations, refer Note 6.7.

Note 6.2 Trade & Other Receivables

Trade debtors	742,435	701,178
Less: Allowance for Expected Credit Losses	(235,582)	(127,154)
City of Melbourne	325,122	248,864
Accrued income	74,000	98,616
Lease Rental – AASB 16 Lease Straightline	210,711	318,945
Lease Fitout	172,250	0
	1,288,936	1,240,449

All of Queen Victoria Market's trade and other receivables have been reviewed on an individual basis for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of \$235,582 has been accounted for, higher than \$127,154 in 2022-23.

The movement in the allowance for credit losses can be reconciled as follows:

	2024	2023
	\$	\$
Note 6.2(a) Reconciliation of expected credit losses		
Balance 1 July 2023	(127,154)	(84,184)
Amounts written off (uncollectable)	22,166	50,932
Additional provision	(130,594)	(93,902)
Balance 30 June 2024	(235,582)	(127,154)

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

Notes to the Financial Report continued

The ageing of trade receivables that have been individually determined as impaired at reporting date was:

	2024	2023
	\$	\$
Impaired Receivables		
Current (not yet due)	0	0
1 - 30 days	5,791	0
31 - 60 days	1,069	0
61 - 90 days	574	0
91 and over	228,148	127,154
Ageing of impaired Receivables	<u>235,582</u>	<u>127,154</u>

Many of the long outstanding past due amounts are in the hands of the Company's debt collectors or are subject to payment arrangements.

Note 6.3 Other Assets

Prepayments	103,119	127,961
Inventory	71,058	52,582
Total Other Assets	<u>174,177</u>	<u>180,543</u>

Note 6.3(a) Inventory

Merchandise stock	51,155	35,692
Bar stock	19,903	16,890
Total Inventory	<u>71,058</u>	<u>52,582</u>

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Note 6.4 Trade & Other Payables

Trade creditors	700,256	1,170,162
GST (receivable)/payable	90,764	16,642
Total Trade & Other Payables	<u>791,020</u>	<u>1,186,804</u>

Payables represent liabilities for goods and services provided to Queen Victoria Market prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Note 6.5 Accrued Expenses

General expenses	1,209,006	593,825
Payroll	171,933	94,556
Fringe benefits tax	(1,463)	18,783
Audit fees accrual - External	37,500	35,000
Audit fees accrual - Internal	42,500	27,500
Total Accrued Expenses	<u>1,459,476</u>	<u>769,664</u>

Notes to the Financial Report continued

	2024	2023
	\$	\$
Note 6.6 Other Liabilities		
Student Voucher Program	373,535	472,380
Lord Mayor Student Vouchers	46,083	49,433
Melbourne Food Vouchers	22,000	37,461
Total Other Liabilities	441,618	559,274

The Company received cash payment from 3 customers who issued vouchers to it's stakeholders. These stakeholders present vouchers to market traders, who then seek reimbursement from the Company.

Note 6.7 Refundable Deposits

Tenant Security Deposits - Current	532,330	471,827
Tenant Security Deposits - Non-Current	2,129,318	1,887,310
Total Tenant Security Deposits	2,661,648	2,359,137

Tenants are required to provide a security deposit upon commencement of their lease or licence. This security deposit is refundable upon their exit from the market. The classification between current (20%) and non-current (80%) reflect's the term of lease or licence signed by stallholders. Tenant security deposits are held in seperate bank accounts.

The above refundable deposits are represented by:

Cash & Cash Equivalents (refer Note 5.1)	656,576	359,137
Other Financial Assets (refer Note 6.1)	2,005,072	2,000,000
	2,661,648	2,359,137

Note 6.8 Lease Liability**Current**

Property Lease	531,599	500,697
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Non-Current

Property Lease	1,874,767	2,452,707
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Total Lease Liability	2,406,366	2,953,404
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Lease payments not recognised as a liability

The Company has elected to not recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets (less than \$10,000). Payments made under such leases are expensed as paid. refer to Note 5.4 for further detail.

Maturity analysis - undiscounted contractual cash flows

Less than one year	531,599	500,697
One to five years	1,874,767	1,891,510
More than 5 years	0	514,856
Total undiscounted contractual cash flows	2,406,366	2,907,063

Note 6.8 Finance Costs - leases

Interest - Lease liabilities	76,617	84,132
Total Finance Costs - leases	76,617	84,132

7. OUR CAPITAL STRUCTURE

Introduction to this section

This section provides information on the capital structure of Queen Victoria Market and its sources of finance utilised during its operations and other information related to the financing activities of Queen Victoria Market.

Structure

7.1 Contributed Equity

	2024	2023
	\$	\$
Note 7.1 Contributed Equity		
Balance as at 1 July	<u>200,000</u>	<u>200,000</u>
Ordinary shares fully paid as at 30 June	<u>200,000</u>	<u>200,000</u>

200,000 fully paid ordinary shares of \$1 each are held by the City of Melbourne.

The Company does not have authorised capital or par value in respect of its issued shares. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

8. TAXATION

Introduction to this section

The Company is exempt from income tax under section 50-25 of the *Income Tax Assessment Act 1997*, due to it being wholly owned by the City of Melbourne, a local government authority.

The Company is subject to paying income tax equivalents to the City of Melbourne, equal to the amount of income tax otherwise payable under the *Income Tax Assessment Act 1997*. The Company has adopted the provisions of *AASB 112 Income Tax* to account for these income tax equivalents.

Structure

8.1 Income tax

8.2 Deferred tax

	2024	2023
	\$	\$
Note 8.1 Income Tax Equivalents		
Accounting Profit/(Loss) subject to Tax	439,148	(39,865)
Add/(Less) timing differences - provision for annual leave	(20,073)	(74,780)
Add/(Less) timing differences - provision for long service leave	(153,804)	190,943
Add/(Less) timing differences - provision for doubtful debts	108,428	42,970
Taxable Income/(Loss)	<u>373,699</u>	<u>119,268</u>
Tax Loss b/f	(4,036,473)	(4,155,741)
Taxable Income to be recouped/(carried forward)	<u>373,699</u>	<u>119,268</u>
Tax Loss c/f	(3,662,774)	(4,036,473)
Tax Losses at 30% written off and available for recoupment in future years	(1,098,832)	(1,210,942)
Income Tax Equivalent Expense at 30% of timing differences	19,635	(47,742)
Future Income Tax Benefit movement	(19,635)	47,742

Income tax equivalents expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred taxes are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

	2024	2023
	\$	\$
Note 8.2 Deferred Income Tax Equivalent Asset		
Provision for employee benefits – annual leave	125,492	131,514
Provision for employee benefits – long service leave	304,778	350,919
Provision for doubtful debts	70,675	38,146
Total Deferred Income Tax Equivalent Asset	<u><u>500,944</u></u>	<u><u>520,579</u></u>

A deferred tax asset is recognised for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Provisions are calculated at 30% of balance.

9. MANAGING RISKS AND UNCERTAINTIES

Introduction to this section

Queen Victoria Market is exposed to risk from its activities and outside factors. This section sets out specific information on financial instruments, including exposures to financial risks, as well as those items that are contingent in nature or require a higher level of judgement.

Structure

- 9.1 Financial instruments
- 9.2 Commitments
- 9.3 Contingent Assets and Contingent Liabilities

9.1 Financial instruments

Objectives and policies

The Queen Victoria Market's principal financial instruments comprise cash assets, receivables, payables, tenant security deposits, other financial assets and lease liabilities. Risk management is carried out by senior management under policies approved by the Queen Victoria Market Board of Directors. These policies include identification and analysis of the risk exposure to the Market and appropriate procedures, controls and risk minimisation.

The most significant financial risks to which the Company is exposed are described below:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Trade receivables are the primary credit risk at Queen Victoria Market and are managed as follows;

- (i) The Company maintains an up to date debtor policy.
- (ii) Traders pay a security deposit as per their lease/licence.
- (iii) Regular reporting on debts greater than 60 days to the Executive team and Board of Directors.
- (iv) Debt collection agency is used.

	2024 \$	2023 \$
Ageing of Trade Receivables		
Current (not yet due)	509,206	472,604
1 - 30 days	275,525	185,334
31 - 60 days	50,868	51,438
61 - 90 days	27,323	38,120
91 and over	231,139	202,546
Ageing of Trade Receivables	1,094,061	950,042
Less: Allowance for Expected Credit Losses	(235,582)	(127,154)
Total Ageing of Trade Receivables	858,479	822,888

Liquidity Risk:

Liquidity risk arises from the financial liabilities of the company and the company's subsequent ability to meet its obligations to pay its financial liabilities as and when they fall due.

The Company has been financially supported by the City of Melbourne, as per Note 1.3.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 12 month projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

Notes to the Financial Report continued

Monthly reporting of budget to actual financial performance and rolling 12 month forward cashflow statements are reviewed by the Executive team and Board of Directors.

Sensitivity disclosure analysis:

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Company believes the movements 'reasonably possible' over the next 12 months are a parallel shift of +1.50% and -1.50% in market rates (AUD) from the year-end rate of 4.70 % (2022-23: 4.45%).

In the event there are movements in interest rates, it is expected they will not have a material impact on the valuation of the Company's financial assets and liabilities, nor will they have a material impact on the results of the Company's operations.

Financial Instruments:

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

The Company's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments. The Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Impairment of assets:

The Company tests assets to ensure that they are not carried above their recoverable amounts annually, or more frequently if events or changes in circumstances indicate that the assets may be impaired and for all other assets whenever an indication of impairment may exist.

Besides provisions made for rent receivables no other financial assets were considered impaired.

9.2 Commitments

Commitments are not recognised in the Statement of Financial Position and are disclosed at their nominal value and presented inclusive of the GST payable.

	2024	2023
	\$	\$
Operating expenditure commitments		
Not later than one year	2,027,114	6,023,738
Later than one year but not later than five years	<u>2,454,204</u>	<u>1,462,771</u>
Total expenditure commitments	<u>4,481,318</u>	<u>7,486,509</u>
Operating lease receivables		
Not later than one year	10,484,880	11,594,199
Later than one year but not later than five years	<u>15,592,740</u>	<u>17,716,526</u>
Total operating lease receivables	<u>26,077,620</u>	<u>29,310,725</u>

Operating leases at the Queen Victoria Market are generally 5 years for Lease Rental – fixed locations (Meat & Dairy Hall and fixed shops within the market) and 1 - 3 years for Licence Fees – flexible open shed locations (stalls under the sheds that are packed down each night).

9.3 Contingent Assets and Contingent Liabilities**Contingent liabilities**

Guarantees issued by the Bank in respect of office rent \$186,000 (2022-23: \$186,000).

10. OTHER DISCLOSURES

Introduction to this section

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

Structure

- 10.1 Key management personnel compensation
- 10.2 Related party information
- 10.3 Application of accounting policies and disclosures
- 10.4 Market Renewal
- 10.5 Trader Support Program & Fund

10.1 Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any director (non-executive) of the Company is considered key management personnel.

Directors;

Jane Fenton AM (Chair)
 Dianne Laws (Deputy Chair) (from 03/10/2023)
 Sandhya Chakravarty
 Emma Germano
 Luke Hilakari
 Michael Tenace
 Jane Hodder (Deputy Chair) (from 18/10/2018 to 26/10/23)

Other personnel;

Name	Position
Matt Elliott	CEO
Mark Bullen	Chief Infrastructure & Operations Officer
Suzanna Kotsiski (appointed 30/10/23)	Company Secretary, Chief Financial and Business Capability Officer
Tasha Harp Kennealy (appointed 10/01/24)	Chief Experience Officer
Spiros Foscolos (term ended 14/10/23)	GM Market Trading, Programming & Events.
Meg Della Lana (term ended 3/11/23)	GM Marketing & Customer Experience
Michael Spencer (term ended 1/12/23)	Company Secretary, CFO & GM Business Services

The total of remuneration as per AASB 119 Employee benefits and AASB 124 Related party disclosures paid to key management personnel of the Company during the year comprised:

	2024	2023
	\$	\$
Short-term employee benefits	1,418,849	1,693,452
Post-employment benefits	200,801	157,860
Other long-term benefits	35,359	20,649
Termination	398,935	0
Total key management personnel compensation	<u>2,053,943</u>	<u>1,871,961</u>

10.2 Related party information

Controlling entity

The immediate parent entity and ultimate parent entity is the Melbourne City Council (100% of shares held).

Transactions with the ultimate parent entity

Revenue transactions with the ultimate parent entity amounted to \$1,825,261(2022-23: \$3,002,943) during the financial year. The amount receivable at reporting date is \$325,121.87(2022-23 \$273,750)

Notes to the Financial Report continued

	2024	2023
	\$	\$
<i>Revenue Transactions</i>		
City of Melbourne Grant	1,000,000	2,450,000
On-charge consultant fees	763,251	291,150
Munro Commission earned	62,010	25,420
Total Revenue Transactions	<u>1,825,261</u>	<u>2,766,570</u>

Expenditure transactions with the ultimate parent entity amounted to \$800,959 (2022-23: \$827,574) during the financial year. The amount owing at reporting date is nil. (2022-23 \$51,404)

Expense Transactions

Munro outgoings	479,458	248,743
Rates	309,615	495,545
Amounts < \$20,000	2,287	29,104
Interest payable from short term funding	9,599	54,182
Total Expense Transactions	<u>800,959</u>	<u>827,575</u>

Queen Victoria Market is acting as an agent for MCC. Rental received on behalf of MCC in 2024 was \$732,846 and lease incentives paid on behalf of MCC was \$1,136,281. (2002-2023: Rental received on behalf of MCC \$ 236,373 and lease incentives paid on behalf of MCC \$NIL)

10.3 Application of accounting policies and disclosures

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

10.4 Trader Support Program & Fund

In August 2017 the City of Melbourne committed at least \$8 million to establish Trader Connect, a support program and fund to assist traders to successfully operate, grow and innovate their businesses throughout Renewal. In 2022, due to feedback from traders, the City of Melbourne agreed to review the Trader Support Fund to make it simpler and more accessible for traders. This revised Fund was launched in March 2023. During the 2023-24 year \$451,932 (2022-23 \$376,717) was incurred for trader support programs and fund including business mentoring. Since inception \$2,691,186 has been incurred for these programs as set out below.

Summary of funding

Direct Trader Support	290,517
Marketing & Promotion	472,141
Small Business Mentoring Service	1,453,333
Trader Lounge	475,195
	<u>2,691,186</u>

Independent Auditor's Report

To the Directors of Queen Victoria Market Pty Ltd

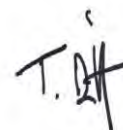
Opinion	<p>I have audited the financial report of Queen Victoria Market Pty Ltd (the company) which comprises the:</p> <ul style="list-style-type: none"> • statement of financial position as at 30 June 2024 • statement of profit or loss and other comprehensive income for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including material 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"> • giving a true and fair view of the financial position of the company as at 30 June 2024 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 company's annual report for the period ended 30 June 2024, 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 of a financial report that gives a true and fair view 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 gives a true and fair view and 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
(continue)**

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
30 August 2024

Travis Derricott
as delegate for the Auditor-General of Victoria



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