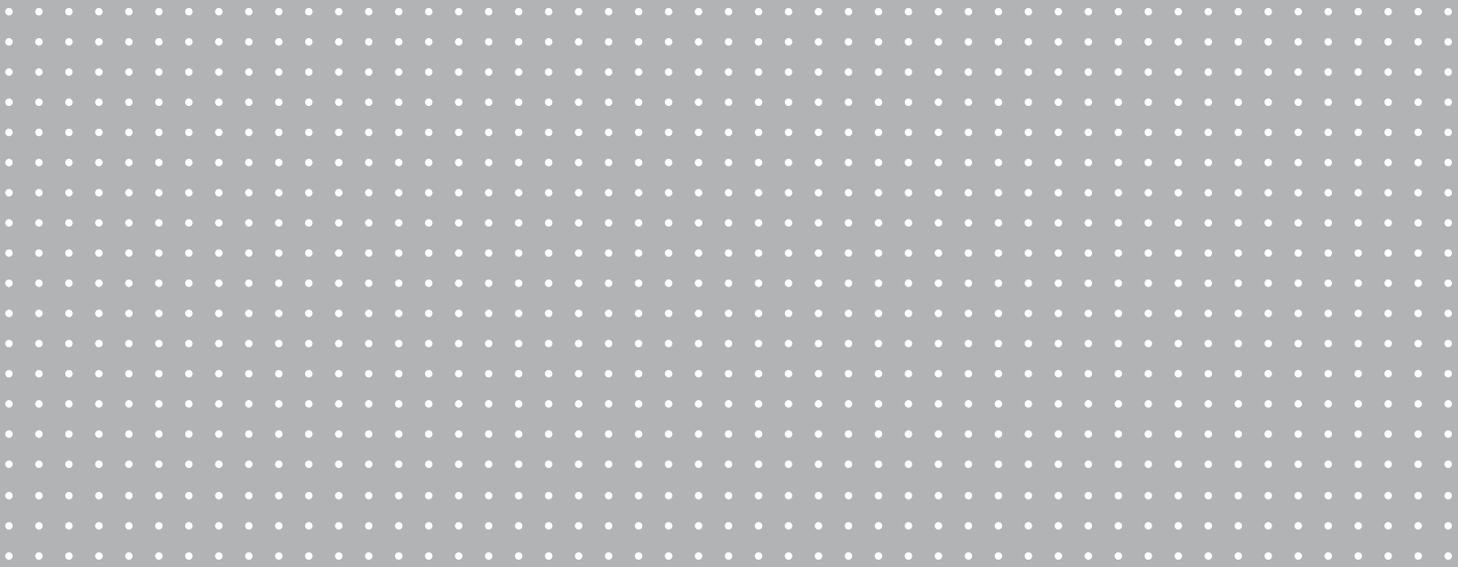


MELBOURNE MARKET AUTHORITY ANNUAL REPORT
2008-2009



then...



1969



1973



1977



1981



1985

2009 SEES THE MARKET
CELEBRATE ITS 40TH
YEAR AT FOOTSCRAY RD
WEST MELBOURNE

40
years



The Hon. Tim Pallas, MP
Minister for Major Projects
Parliament House
MELBOURNE VIC 3000

Dear Minister

The MMA has pleasure in submitting its Annual Report for the year ended 30 June 2009.

This Report covers the period 1 July 2008 to 30 June 2009. The Board is committed to the continuing development of the Market and to ensuring the MMA remains responsive to its various customer groups and stakeholders.

I commend this Report to you and assure you of our Board's commitment to working with the industry for a sustainable and viable central market.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Neil Lowe', with a long, sweeping underline.

NEIL LOWE
Chairman

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I AM PLEASED TO REPORT THAT FOR THE YEAR UNDER REVIEW, DESPITE THE AUSTRALIAN AND GLOBAL ECONOMIC DOWNTURN, THE MMA HAS RECORDED A VERY SATISFACTORY RESULT WITH A NET SURPLUS OF \$5.6 MILLION, AN INCREASE OF SOME 25% ON THE PREVIOUS YEAR'S \$4.5 MILLION.

THIS SATISFACTORY RESULT CAN BE ATTRIBUTED TO OUR STAFF, WHO GENERATED A POSITIVE BUDGET PERFORMANCE FOR THE YEAR OF \$875,000, AND TO THE MARKET USERS, ESPECIALLY OUR TENANTS WHO ADAPTED TO THE ECONOMIC PRESSURES THRUST BY THE GLOBAL CRISIS, WHICH IN TURN SAW MARKET ACTIVITY INCREASE DURING THE YEAR.

Grower suppliers of fresh fruit, vegetables and flowers, along with our retailer buyers, are the life blood of our Market. We are delighted that these people continue to demonstrate innovative ways in ensuring that their livelihoods are protected and the Melbourne Wholesale Fruit, Vegetable & Flower Market is very much part of this continued success.

This financial year has been a time of continual change for the Market and the Market users as the relocation of the Market to a new site in Cooper Street, Epping by late 2012 draws near. Although negotiations have continued throughout the year, much has to be achieved before Market users' positions are finalised. I am confident this will be achieved in the near future.

“THIS
FINANCIAL
YEAR HAS
BEEN A TIME
OF CONTINUAL
CHANGE.”



In April the Government announced that responsibility for the project was to be transferred from the Department of Primary Industries (DPI) to the Department of Innovation, Industry and Regional Development (DIIRD). The change has also seen MMA's reporting responsibilities move to DIIRD with the Minister of Major Projects, The Hon. Tim Pallas as the Minister responsible for the Melbourne Market Authority.

The Marketing Department has continued with its work supporting the Fruit and Vegetable and Flower industries in Victoria. It is our goal that the Melbourne Wholesale Fruit, Vegetable & Flower Market be the preferred place for fresh produce within Australia and to raise public awareness of our role in the wholesale supply chain.

I would like to thank other members of the Board for their commitment during the year. I would also like to thank the CEO, Peter McLennan, and his management and staff for the support they have provided to the Board during the year.

I look forward to another interesting year ahead.

A handwritten signature in black ink, appearing to read 'Neil Lowe'. The signature is fluid and cursive, with a large loop at the end.

NEIL LOWE



THE MMA CONTINUES TO DEMONSTRATE ITS FINANCIAL AND OPERATING STRENGTHS WITH ANOTHER SUCCESSFUL YEAR.

MMA MANAGEMENT HAS BEEN FOCUSING ON MAINTAINING ITS RELATIONSHIPS WITH MARKET USERS WHILE BUILDING THE BUSINESS INTO ONE WITH A SOLID COMMERCIAL FOCUS. THIS HAS BEEN A YEAR OF COMMUNITY PRESSURES WITH THE TERRIBLE BUSH FIRES, THE WORLD ECONOMIC SLOWDOWN AND THE CONTINUATION OF THE DROUGHT. THESE CHALLENGES HAVE YET AGAIN BEEN MET AND MANAGED IN VERY POSITIVE WAYS BY THE MMA AND THE MARKET COMMUNITY.

In December 2008 Major Projects Victoria sought expressions of interest from the building industry to design and construct the Epping market. In April 2009, three of the companies that had shown interest in the project were requested to tender for the design and construct project. Major Projects are expecting tenders to be submitted by 13 August 2009. Following an evaluation phase, a builder will be appointed from the tender companies with building planned to start late 2009. While this process is occurring, the Government has instigated information processes for Market users. These communication processes are planned to accelerate during the second half of 2009 and throughout the balance of the project.

I mentioned in last year's report that work carried out on saving water in the Market was showing signs of success. I am happy to report that the Market reduced its total year over year usage of potable water by 74 million litres returning savings in water costs to the MMA and its tenants of \$136,000 for 2008/09. The MMA has been notified that it has been selected as a finalist in the National Watersave awards for 2008/09.

In addition to water savings, the MMA is focusing its attention to other environmental issues in the Market. During the year a MMA environment team was formed to look at what steps could be taken by both the MMA administration and the Market as a whole to reduce its carbon footprint. Further work has been carried out in the areas of waste recycling, electricity savings and paper usage. All areas tackled to date have provided significant savings to the environment.

Access to the Market changed during the year with the successful completion of the Dynon Port Rail Link Project. Gate 1 is now the preferred access point to the Market with the other gates providing easy access during heavy trading times. On 1 March 2009, the rail crossing on Footscray Rd was dismantled and trains started running under the new overpass. Congratulations to the Victorian Government and its contractors on the delivery of this fantastic project.

The 7th of February 2009 saw the worst bush fire event in Australian history. Once again the Market tenants and associated businesses provided assistance to those affected. A collection of fresh product



around the Market by FoodBank, SecondBite and MMA staff saw 27 tonnes of produce donated to the bush fire relief. While this was occurring, the Melbourne Market Lions Club walked the Market floor collecting donations and organised some outside events to collect funds for the bush fire relief fund. A total of \$123,000 was passed on to the relief fund. This was an outstanding result which demonstrates the generosity that exists in this Market and the industry. Congratulations to all involved.

During the first half of 2008 Market hours were changed. While the changes were initially rejected by some Market users, the large majority of users adjusted and are happy with the result. The MMA is continuing to monitor the buying patterns of Market users to ensure that all buyers have fair access to available produce. Since the introduction of the new hours, a further change recognising winter trading has been implemented.

The MMA Marketing Department continues to provide considerable assistance to the fruit, vegetable and flower industries in Victoria. Of particular note is the ongoing support for the MarketFresh Schools Program. This program would not be as successful as it is without the ongoing support of a small number of wholesale businesses in the Market. These businesses donate the produce used in the program. I would personally like to thank the business owners involved.

Following negotiations with representatives from the Tasmanian Government, the MarketFresh Schools Program will be launched in North Western Tasmania in August 2009. This action will expose a significant number of primary children in southern Australia to the healthy eating message passed on by the program.

I would like to thank the MMA Board for its support during the year as well as MMA management and staff. I would also like to extend my thanks to the members of the Advisory Committees who continue to provide valuable advice on Market issues.

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for the year ended 30 June 2009.

PETER McLENNAN

MEMBERS OF THE MMA

THE MMA IS ESTABLISHED UNDER THE MELBOURNE MARKET AUTHORITY ACT (THE ACT) 1977 AND REPORTS TO THE MINISTER FOR MAJOR PROJECTS, THE HON. TIM PALLAS, MP.

THE MEMBERS OF THE MMA ARE APPOINTED BY THE MINISTER FOR MAJOR PROJECTS.



NEIL LOWE

joined the MMA as Chairman on 21 April 2003 and was reappointed for a further three years in 2009.

Neil attended 12 Board meetings and 15 Sub-Committee and Advisory Committee meetings in 2008/09.



JOANNE ANDERSON

joined the MMA as a Board member on 8 April 2005 and was reappointed for a further three years in 2008.

Joanne attended 12 Board meetings and 20 Sub-Committee and Advisory Committee meetings in 2008/09.



BEVERLEY HONIG

joined the MMA as a Board member on 8 April 2005 and was reappointed for a further three years in 2008.

Beverley attended 11 Board meetings and 17 Sub-Committee and Advisory Committee meetings in 2008/09.



BRONWYN CONSTANCE

joined the MMA as a Board member on 27 December 2007 and was reappointed on 20 April 2009 for a further three years.

Bronwyn attended 11 Board meetings and 12 Sub-Committee and Advisory Committee meetings in 2008/09.

Neil Lowe also attended numerous Market relocation and industry meetings during the year.

ADVISORY COMMITTEES



ADVISORY COMMITTEES MEET REGULARLY AND PROVIDE VALUABLE ADVICE TO THE MMA ON MARKET OPERATIONS AND RELATED ISSUES.

MEMBERS ARE APPOINTED FOR A THREE-YEAR TERM.

The MMA met with the Advisory Committees during 2008/09.

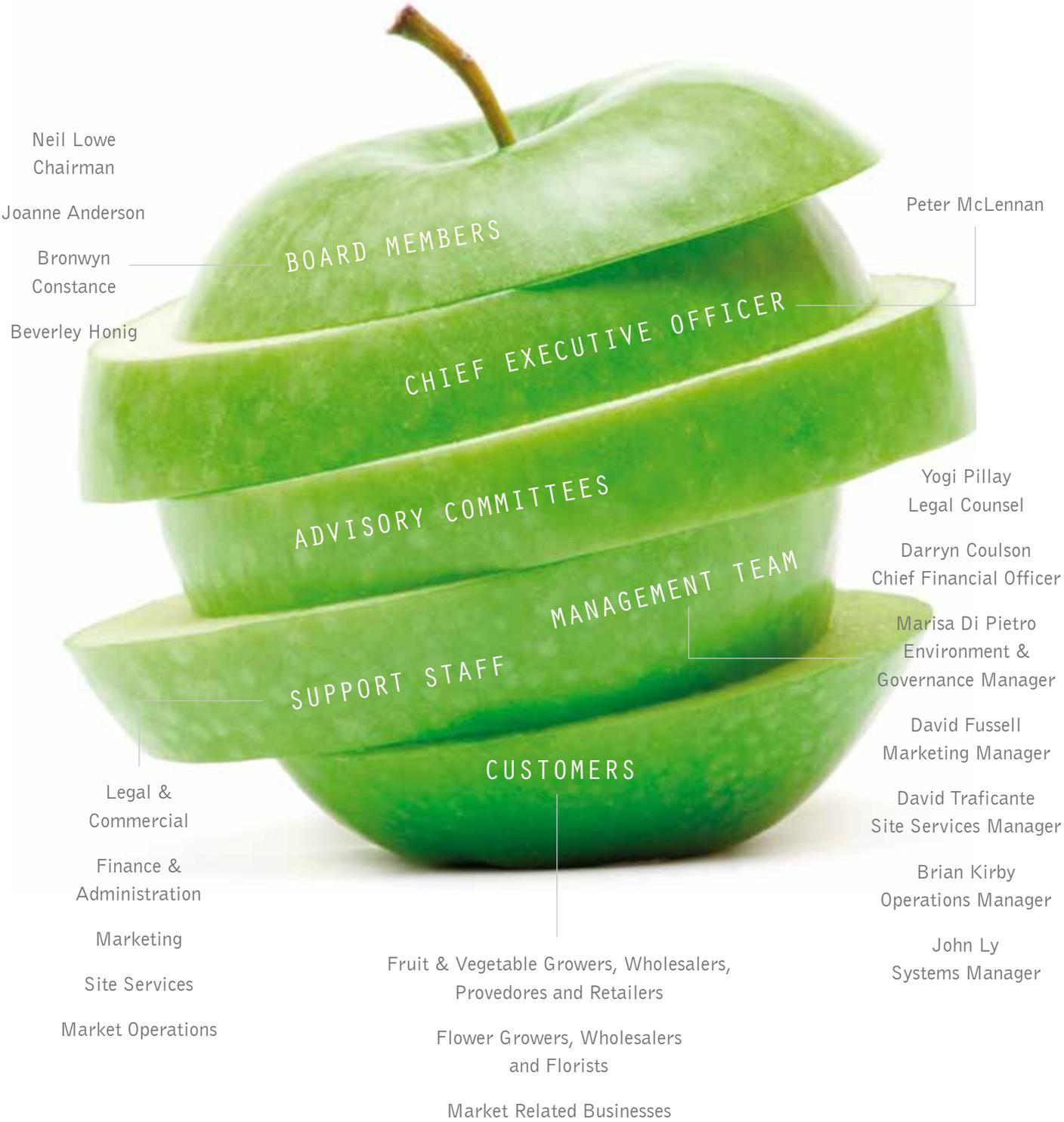
In addition, associated industry representatives attended meetings as observers. Committee members and official observers are:

FRUIT & VEGETABLE GROWERS ADVISORY COMMITTEE	FRUIT & VEGETABLE WHOLESALERS ADVISORY COMMITTEE	FRUIT & VEGETABLE RETAILERS ADVISORY COMMITTEE	FLOWER GROWERS ADVISORY COMMITTEE#	FLORISTS ADVISORY COMMITTEE#
Mr David Wallace (Chairperson)	Mr Robin Westmore (Chairperson)	Mr Paul Ahern (Chairperson)	Mr Geoff Maguire (Chairperson)	Mr David Palmieri (Chairperson)
Mr Luis Gazzola	Mr Grant Nichol	Mr Trevor Wilson	Mr John Boon	Ms Cristina Varrasso
Mr Mark Paganoni	Mr Vince J Brancatisano	Mr John Chapman	Mr Joe Zappia	Mr Geoffrey Irving
Mr Joe Ruffo	Mr Shane Schnitzler	Mr John Psarakos	Mr Peter Koomen	Ms Lesley Hunter
Mr Gordon Johns	Mr Joe Amalfi	Mr Frank Lugara	Mr Greg Duffy	Ms Simone Sutcliffe
Mr Jack Walker*	Mr Alan Guy*	Mr Damien Toscano*		Ms Carolyn Ralph*
Mr Tony Imeson*	Mr Sam Cutrale*			
	Mr John Roach*			

* Observer

As of May 2009 these two advisory committee meetings were combined.

ORGANISATIONAL CHART





OUR VISION IS:

TO BE THE
PREFERRED MARKET
AND DISTRIBUTION
CENTRE FOR
HORTICULTURAL
PRODUCTS AND TO
PROVIDE INDUSTRY
SUPPORT.

OUR MISSION IS:

TO PROVIDE A
COMMERCIALY
VIABLE WHOLESALE
MARKET.



ESTABLISHED UNDER THE MELBOURNE MARKET AUTHORITY ACT (1977), THE MMA SERVES THE VICTORIAN FRUIT AND VEGETABLE INDUSTRY ALONG WITH THE FLOWER INDUSTRY THROUGH THE PROVISION OF MARKET FACILITIES AND DRIVES STRATEGIC DIRECTION AND MARKETING FOR THE INDUSTRY.

THE ACT PRESCRIBES THE FOLLOWING OBJECTIVES AND FUNCTIONS:

OBJECTIVES

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

FUNCTIONS

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

CUSTOMER FOCUS

We recognise the importance of our customers to the success of our business and will work in consultation with them to ensure that our facilities and services meet their needs and support their business viability and growth.

Our customers are the businesses that trade in or through the Melbourne Wholesale Fruit, Vegetable & Flower Market.

They include growers, retailers, provedores, wholesalers and those businesses that support trading.

SHAREHOLDER VALUE

We conduct our business so that we optimise the return to our shareholder, the Victorian Government.

COMMUNICATIONS & CO-OPERATION

We communicate openly and honestly throughout the MMA and provide quality services to our customers using processes that cross the organisation.

HONESTY & INTEGRITY

In everything we do, we act with honesty and integrity.

INDUSTRY SUPPORT & INNOVATION

We encourage innovation and initiative so that we may add value to our customers and position the Melbourne Wholesale Fruit, Vegetable & Flower Market to take a strong supporting role on issues faced by the industry as a whole, and individual industry associations.

MANAGEMENT BY FACT

Decision making is based on factual information. Research and analysis is important in conducting our business.

RESPECT FOR OTHERS

We treat our customers, suppliers and one another with respect and dignity. We value the principles of equity and diversity.

SAFE & HEALTHY WORKPLACE

We strive to provide a safe and healthy workplace for all people who work within the Market.

TEAMWORK

We value the input and participation of all employees and recognise the benefits that teamwork offers. We work in partnership with our customers, suppliers and industry groups.

BUSINESS OVERVIEW AND STATISTICS

BUSINESSES TRADING IN THE MARKET					
	Stores Allocated	Warehouses Allocated	Stands Allocated	Total Businesses	Individual Access Cards June 09
Fruit & Veg Store Holder Businesses	115	18	32		
Fruit & Veg Warehouses Businesses		13	3		
Fruit & Veg Stand Businesses			302		
Total Fruit & Veg Tenant Businesses				432	2,731
Fruit & Veg Retail Buyers				1,260	2,303
TOTAL FRUIT & VEG BUSINESSES				1,692	5,034
Flower Buyers - Florists				702	1,037
Flower Growers/Wholesalers				99	298
TOTAL FLOWER BUSINESSES				801	1,335
Transport Operators & Unloaders				127	369
Other Market Related Businesses				535	699
TOTAL MARKET BUSINESSES				3,155	7,437

AVERAGE VEHICLE ACCESS PER TRADING DAY				
	2006/07	2007/08	2008/09	
FRUIT & VEGETABLE MARKET				
Buyers/Retailers	716	768	786	
Growers/Wholesalers/Merchants	1,209	1,150	1,147	
TOTAL AVERAGE ENTRIES	1,745	1,918	1,933	
FLOWER MARKET				
Buyers/Florists	216	207	210	
Growers/Wholesalers	112	120	110	
TOTAL AVERAGE ENTRIES	328	327	320	
ANCILLIARY BUSINESSES				
Market Related Businesses	680	360	360	
Transport Operators and Unloaders	125	130	135	
Total Ancillary Businesses	805	490	495	
TOTAL AVERAGE DAILY MARKET ACCESS	2,878	2,735	2,748	

% CHANGE IN REGISTERED USERS							
	2005/06	% Change	2006/07	% Change	2007/08	% Change	2008/09
Total Registered Individuals	6,502	+6%	6,917	+4%	7,233	+3%	7,437
Total Registered Businesses	2,882	+5%	3,039	+3%	3,130	+1%	3,155

BUSINESS OVERVIEW AND STATISTICS

REGISTERED MARKET USER AGE GROUPS

	< 21 Years	21-30 Years	31-40 Years	41-50 Years	51-60 Years	> 60 Years
Fruit & Veg Buyer	6%	13%	26%	25%	17%	13%
Fruit & Veg Trader	3%	18%	22%	24%	18%	14%
Flower Buyer	1%	15%	28%	25%	19%	12%
Flower Seller	3%	16%	29%	23%	19%	11%
Market Related Business	2%	20%	23%	23%	19%	12%
Transport Operator	2%	8%	24%	22%	26%	18%
TOTAL CURRENT REGISTERED USERS	3%	16%	25%	25%	19%	13%
NEW REGISTERED USERS 2008/09	47	290	324	249	133	44

MARKET LAND USE

	No. of Properties/Trading Modules	Area of Land Used - m2
Warehousing	38	31,513
'A' Stores	240	20,160
'B' Stores	180	10,314
Fruit & Veg Stands	664	13,944
TOTAL FRUIT & VEGETABLE TRADING	1,122	75,931
Flower Market Stands (including coolrooms and entrance ways)	143	3,003
Flower Market Commercial Properties	4	715
TOTAL FLOWER MARKET TRADING	147	3,718
Other Properties	63	36,517
Parking (including casual parking)	2,710	43,940
TOTAL LEASING/LICENSED AREAS	4,042	160,106

INDUSTRIAL VEHICLES ON SITE

	2006/07	2007/08	2008/09
Forklifts	797	828	874
Scooters	247	244	255
Golf Buggies	Not Known	Not Known	19

THE FRUIT, VEGETABLE & FLOWER MARKET



THE MELBOURNE
WHOLESALE FRUIT,
VEGETABLE & FLOWER
MARKET IS THE
LARGEST FRESH
PRODUCE COMPLEX IN
VICTORIA AND ONE
OF THE BIGGEST OF
ITS KIND IN THE
WORLD.

On a busy day more than 4,000 people enter the Market to buy and sell fresh fruit, vegetables and flowers.

Sellers include wholesalers, growers and provedores operating from warehouses, stores and trading stands.

Buyers include independent greengrocers, supermarkets, restaurants, food processors and florists. Many more businesses receive deliveries and consignments from the Market.

There are also over 450 people employed by Market related businesses, transport operators and unloaders who enter the Market daily.

Currently located on a 33 hectare site on Footscray Road close to the city, the Market is scheduled to move to a much larger site in Epping, in Melbourne's north, by 2012.



THE 2008/09 FINANCIAL YEAR PRESENTED A DIVERSE RANGE OF CHALLENGES TO THE FRESH PRODUCE INDUSTRY AND THE MARKET COMMUNITY OVER THE COURSE OF THE YEAR.

HOWEVER, DESPITE THESE CHALLENGES, THE NUMBER OF BUSINESSES TRADING WITHIN THE MARKET CONTINUES TO GROW AND THIS CAN BE HIGHLIGHTED BY THE INCREASED ALLOCATION OF TRADING STANDS AS WELL AS THE NUMBER OF ORIENTATIONS TO NEW BUSINESS OPERATORS WISHING TO ENTER THE MARKET AS BUYERS.

TRADING HOURS

The Fruit and Vegetable Market trades five days a week with general trading starting from 3.00am on Monday, Thursday and Friday (3.30am during winter trading) and 4.30am on Tuesday and Wednesday (5.00am during winter trading).

The Flower Market trades six days a week with general trading starting from 4.00am on Thursday and 4.30am on Monday, Tuesday, Wednesday, Friday and Saturday.

DYNON PORT RAIL LINK PROJECT

The Dynon Port Rail Link (DPRL) Project was completed during the reporting period.

The DPRL project involved the construction of two new rail lines into the Port of Melbourne and a multi-lane vehicle overpass.

SITE MAINTENANCE

The MMA undertook ongoing maintenance works and upgrades during the year. This included:

- Installation of several kilometres of bird spikes to prevent seagulls roosting over market building ledges.
- Identification and repair to areas of the Market consuming excess water.

OPERATIONS & CUSTOMER SERVICE

The MMA has maintained a 24/7 patrol of the Market to ensure security of produce and general safety.



JUST ADD FRUIT & VEG CAMPAIGN - FINAL LAUNCH 'FRUIT FOR SNACKS'

THE MMA WORKED WITH A NUMBER OF GROUPS TO EXTEND ITS PROMOTIONAL EXPOSURE, SUPPORT INDUSTRY DEVELOPMENT, AND PROVIDE INFORMATION TO THE PUBLIC ON THE BENEFITS OF HEALTHY EATING.

“JUST ADD FRUIT & VEG” CAMPAIGN

The Melbourne Wholesale Fruit, Vegetable and Flower Market, in conjunction with the Heart Foundation, launched the Fruit & Vegetable Coordinating Hub project in March 2008. Funded by the Victorian Government’s Department of Human Services this simple but powerful campaign encouraged all Victorians to ‘Just Add Fruit & Veg’ to their meals as a way of increasing their consumption of fresh fruit and vegetables. The 12 month campaign was completed in March 2009.

RETAIL DEVELOPMENT PROGRAM

The Retail Development Program is open to all fruit and vegetable retailers who purchase produce at the Market.

Retailers receive recipe leaflets for distribution to their customers, point-of-sale materials and become part of the Retailer of the Year Awards program which involves being mystery shopped twice a year. The Retailer of the Year Award is designed to encourage quality fruit and vegetable retailing by identifying and rewarding excellence.

In 2008/09 over 550 fruit and vegetable outlets registered to participate in the Retail Development Program and each year it continues to grow as more retailers take up this business opportunity.

BUSINESS PARTNERSHIP PROGRAM

The Business Partnership Program of the MMA provides its member companies with the opportunity to market their products and services to the Market community through the MMA’s activities. The MMA will continue with these strategic alliances as a means to further enhance business opportunities for all concerned.

MARKETFRESH.COM.AU

The MMA’s MarketFresh website has attracted in excess of 30,000 visits per month, an increase of 20% upon the previous year. Users have logged 875,600 visits since the website’s launch in November 2005. The MMA developed this promotional website to support sales of fresh produce through retailers and florists who buy from the Market. It also acts as an important resource for supplying information

on varieties and seasonality to fresh produce industry personnel and consumers. Apart from the general public, groups visiting the website include schools, training institutes, universities, government departments and the fresh food sector.

NEW BUSINESS ORIENTATIONS

This service is offered by the MMA to new businesses or industry personnel seeking to enter the Market.

These one-on-one tours are designed to familiarise the customer with site layout, operational procedures, Occupational Health & Safety requirements and services provided by the MMA.

The service has been particularly successful in introducing small independent retailers, provedores and florists to the Market community.

RESTAURANT & FOOD SERVICE LIAISON

MMA continues to support and promote this important sector of the food service industry.

The MMA maintains an alliance with the Melbourne chapter of Les Toques Blanches, the association of Executive Chefs.

MARKETING

MARKETFRESH SCHOOLS PROGRAM

THIS SUCCESSFUL PROGRAM, MANAGED BY THE MMA, HAS BEEN DESIGNED TO EDUCATE CHILDREN ABOUT THE IMPORTANCE OF FRUIT AND VEGETABLES IN THEIR DIETS AS PART OF THEIR GENERAL WELLBEING.

EACH SESSION EXPLAINS THE PROCESSES INVOLVED IN BRINGING THE FRESH PRODUCE FROM THE PADDOCK TO THEIR PLATE.

OBJECTIVES AND DIRECTION:

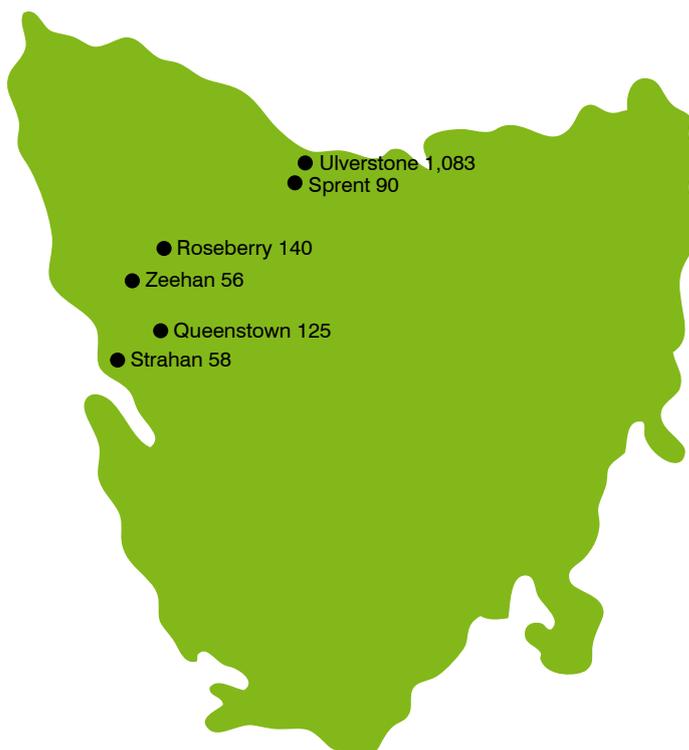
- Promotes fresh Australian produce.
- Exposes children to fruit and vegetables that they may not have previously tasted.
- Increases awareness of the importance of eating fresh fruit and vegetables.
- Makes learning about fruit and vegetables fun.
- Maximises impact with biannual visits to metropolitan and regional schools within Victoria.
- Raises fresh produce consumption.

To cater for different age group requirements, three new presentations were formulated to accommodate junior, intermediate and senior students.

All sessions conclude with a tasting session of fresh seasonal fruit and vegetables. The program is supported by a number of independent growers, grower groups and wholesalers who all contribute the produce required for the tasting experience.

During early 2009, the Marketing Department were approached by the Tasmanian Government enquiring as to how the Tasmanian Government could introduce the MarketFresh Schools Program into Tasmanian schools. As a result, the MMA will launch the program to 1,500 children in North Western Tasmanian schools in August 2009. Adjacent map illustrates towns and numbers of students to be visited during the first week of the program in Tasmania.

Congratulations to those involved in this fantastic initiative.



MARKETING

THE MMA VISITED 140 SCHOOLS AND 25,848 STUDENTS
ATTENDED THE PRESENTATION IN 2008/09





MISS KATIE RICHARDSON, MISS WORLD AUSTRALIA 2008

FLOWER CAMPAIGNS

SPRING RACING CARNIVAL (OCT-NOV 2008)

"*Flowers, our Fashion Tip for Spring Racing*", a joint campaign between Racing Victoria Ltd and the MMA, was linked to an official race day flower guide, point of sale, advertising and coverage in television and print media.

The MMA campaign was partnered by Flowers Victoria, the peak industry body for flower growers and florists in Victoria.

VALENTINE'S DAY (FEBRUARY 2009)

Theme: "*Keep it Real*" - 400 promotional poster kits were distributed to Flower Market customers. The promotion was partnered by Flowers Victoria.

MOTHERS DAY (MAY 2009)

Theme: "*It's all about you Mum!*" - 500 promotional poster kits were distributed to Flower Market customers. The promotion was partnered by Flowers Victoria.



VICFRESH 2009 GALA DINNER

SATURDAY, 28 FEBRUARY 2009

HELD IN THE PALLADIUM BALLROOM AT THE CROWN ENTERTAINMENT COMPLEX, OVER 930 GUESTS GATHERED FROM ALL SECTORS OF THE FRUIT, VEGETABLE AND FLOWER INDUSTRY TO CELEBRATE THE MARKET COMMUNITY AND ENJOY A NIGHT OF ENTERTAINMENT WITH THEIR FAMILIES, FRIENDS AND COLLEAGUES.

VICFRESH CREATES AN OPPORTUNITY TO CREDIT SPONSORS WITH RECOGNITION FOR THEIR ROLE AND CONTRIBUTION TO THE GALA NIGHT AND INDUSTRY THROUGHOUT THE YEAR. THE ANNUAL EVENT IS PLANNED AND COORDINATED BY THE MMA AND SUPPORTED BY A COMMITTEE OF INDUSTRY REPRESENTATIVES.

ANNUAL RETAILER OF THE YEAR AWARDS

Presented each year at the VicFresh Gala Dinner, the Metropolitan and Regional Retailer of the Year award is the pinnacle in retailing excellence within the Victorian fresh produce sector.

To receive this accolade a retailer must rate consistently well throughout the year with its mystery shopping assessments.

Both awards were sponsored by the Melbourne Markets Credit Service.

MARKET VETERANS AWARDED

Chairman of the MMA, Neil Lowe, honoured 20 market veterans for their long-standing service at the Melbourne Wholesale Fruit, Vegetable and Flower Market.

To qualify for the awards, recipients need to have completed 40 years of continuous service at the Market.

Since its inception in 2002, there have been a total of 412 recipients awarded. Each recipient receives a '40 years service' gold pin, certificate and complimentary access for life to the Market.

INDUSTRY VISITS

A total of 1,883 people visited the Melbourne Wholesale Fruit, Vegetable and Flower Market during the 2008/09 financial year. 80% of the visitors booked tours with the 'Tuttie-Fruttie' express (the MMA's tourist train), while the remaining 20% of visitors booked through the MMA's Marketing Department.

Of those that visited 63% were students, 3% travelling groups, 8% general public and 26% industry or new businesses orientations.



THE MELBOURNE INTERNATIONAL FLOWER & GARDEN SHOW

1-5 APRIL 2009

2009 SAW THE MMA RETURN TO THE LARGEST FLOWER AND GARDEN SHOW IN THE SOUTHERN HEMISPHERE.

The MMA's colourful stand showcased the Flower Market and the wide array of fresh cut flowers, foliage, and potted plants that are wholesaled to Market customers.

To educate the public on the range of cut flowers available in Victoria, a set of four quality posters were produced featuring the A-Z of flowers and foliage sold through the Market. Over 1,000 sets were distributed to show patrons.

The show proved very successful with 120,000 patrons visiting over the five day event.

THE GOOD FOOD SHOW 2009

5-8 JUNE 2009

ONE OF THE MOST POPULAR AUSTRALIAN FOOD AND WINE EVENTS. THIS YEAR THE SHOW ATTRACTED 41,782 PATRONS OVER FOUR DAYS, AN INCREASE OF 55% ON 2008 ATTENDANCE FIGURES.

The Market stand featured a new layout and format with displays highlighting fresh produce and banners.

The MMA's objectives at the show were to:

- represent stakeholders and promote their fresh products;
- re-brand Melbourne Wholesale Fruit, Vegetable & Flower Market; and
- distribute materials on healthy eating to show patrons.

The 2009 Good Food Show was extremely successful in achieving its objectives and realising benefits to the Melbourne Wholesale Fruit, Vegetable & Flower Market and other key stakeholders.

GOLF DAY

21 OCTOBER 2008

The annual Melbourne Wholesale Fruit, Vegetable & Flower Market Golf Day was held at the Growling Frog Golf Course in Yan Yean on Tuesday, 21 October 2008.

A total of 116 players registered for the golf day, made up of retailers, growers, wholesalers, unloaders and MMA business partners.

The golf day was sponsored by members of the MMA's Business Partnership Program - Toyota Material Handling and National Point of Sale Systems.

ENVIRONMENT

WATER CONSUMPTION

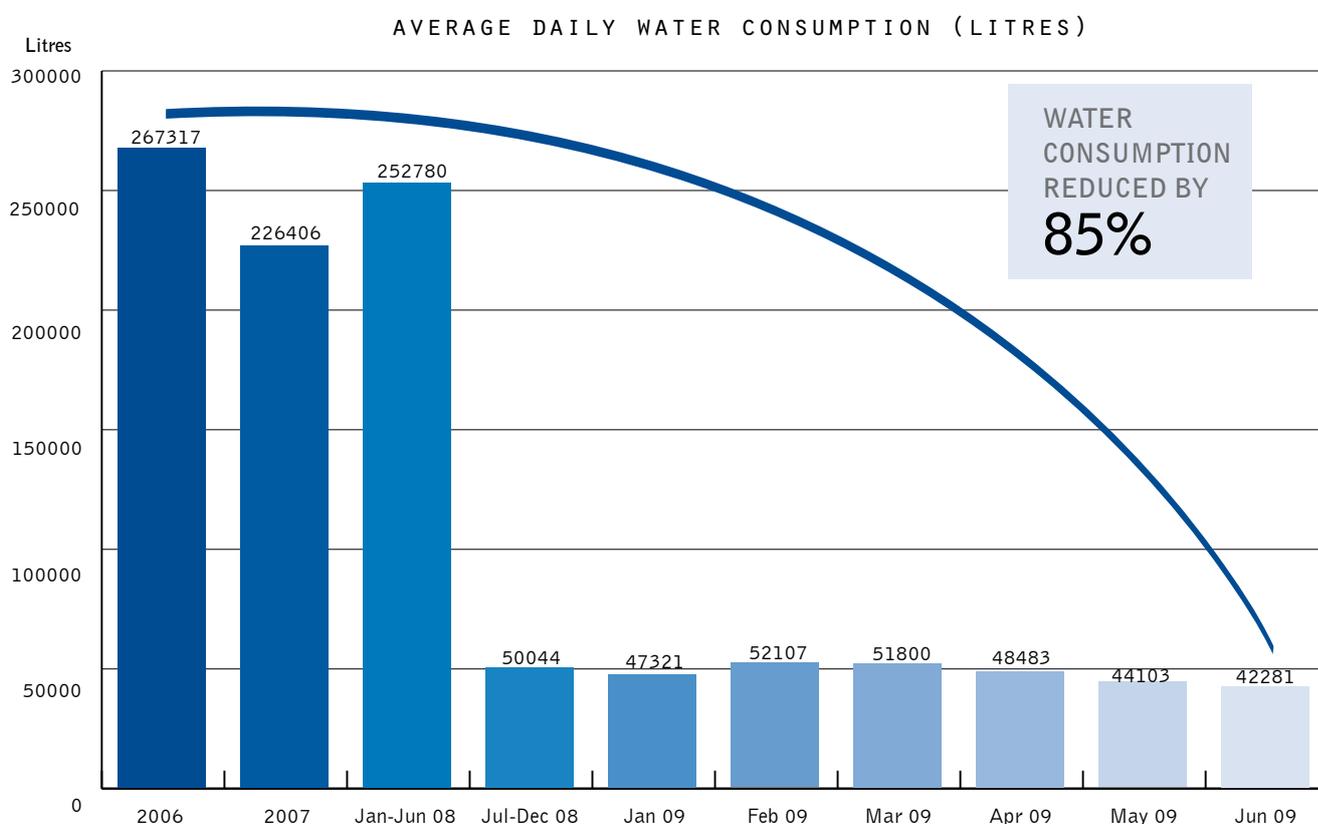
Work continued during the year to reduce water consumption further on site. The MMA worked closely with Market tenants to monitor water consumption through the installation of check meters to some tenant's properties and equipment. Where irregularities were found, equipment was checked and any repairs effected as required.

To date, since water saving initiatives commenced at the Market in late 2006, the MMA has achieved an 85% saving in site water consumption.

During the 2008/09 year the MMA saved 74 million litres of water versus the prior year. This saving equates to a reduction in water costs of \$136,000.

MMA has been selected as a finalist in the 2008/09 National Watersave Awards. The awards will be announced on 9 October 2009.

The MMA continues to monitor water usage daily using online Watersave Smart Meters that update actual usage for each of the three Market water meters every 15 minutes.



ELECTRICITY

Recognising the Market is a big consumer of electricity, given Market trading hours, the MMA made a conscious decision to attempt to reduce the amount of electricity consumed on site.

Actions taken to reduce electricity consumption on site included:

- Virtualising the MMA's computer servers, reducing the number of physical servers from 10 to 1 resulting in a decrease in power to run and cool the servers.
- Trialing the use of LED lighting, which last longer and use less power, in the MMA administration office.
- Ensuring the lighting schedule for the Market and car parks was in tune with the change of seasons.

In addition, the MMA continues to work with its staff to increase awareness of turning off appliances at the source and switching off office lights when not in use to further reduce the amount of electricity consumed on site.



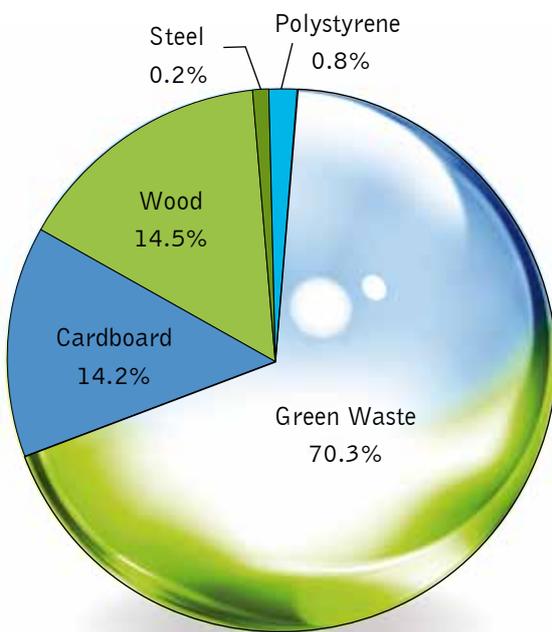
RECYCLING

Produce waste, wood, polystyrene, paper/cardboard and steel are by-products of market trading that are recycled at the Melbourne Wholesale Fruit, Vegetable and Flower Market.

In 2008/09, a total of 9,293 tonnes of waste was collected of which 5,777 tonnes was recycled. This represents a diversion rate of 62.4%, which is an increase from the previous year.

Greater awareness by Market users on what can be recycled and the facilitation of collection of recyclables has improved the recycling rate at the Market.

BREAKDOWN OF RECYCLED MATERIAL



A breakdown of recycled waste this year.

• 4,052 tonnes	Green waste	70.3%
• 839 tonnes	Wood	14.5%
• 823 tonnes	Cardboard	14.2%
• 49 tonnes	Polystyrene	0.8%
• 14 tonnes	Steel	0.2%
<hr/>		
5,777 tonnes		100%

INFORMATION TECHNOLOGY

VIRTUALISATION

The MMA has virtualised their IT network. Virtualisation is a software technology that makes it possible to run multiple operating systems and multiple applications on the same computer at the same time, increasing the utilisation and flexibility of hardware.

The 10 physical servers the MMA previously had have now been consolidated into a single IBM BladeCenter Server, resulting in an efficient central point for administration and management of the MMA's IT network.

There are also significant savings in electricity consumption and air-conditioning costs as a result of virtualisation.



RESOURCESMART GOVERNMENT PROGRAM

The MMA participated in the Victorian Government's ResourceSMART Government Program for Change during the reporting period.

Participation in this program, which was developed by Sustainability Victoria and the Department of Sustainability and Environment, focused the MMA's attention on setting broad environmental targets not only for the MMA itself but also for the Market, and achieving these targets.

To date, the MMA has achieved the following:

- Developed an environment policy and strategy outlining MMA's commitment to the environment and developed an Action Plan to ensure our objectives are met.
- Further reduced water consumption on site. MMA has reduced potable water consumption by 85% through a number of water saving initiatives since late 2006.
- Investigated feasibility of other water sources, e.g. Bore and Class A recycled water, for use in cleaning of the Market.
- Reduced the amount of rubbish to landfill by 9.9%.
- Increased the recycling rate by 5.4%.
- Increased diversion from landfill from 58.4% to 62.4%.
- Reduced the amount of paper used in the office by more than 68%.
- Purchased and commenced use of Australian made 80% recycled paper in the office.

Key stakeholders of the Market were engaged throughout the process.

USE OF PAPER

The MMA has cut its office paper usage by 68% over the reporting period and has made a conscious effort to reduce the amount of paper used in our daily activities.

The savings have been made by:

- Reducing the number of printed documents generated to the absolute minimum amount required.
- Consolidating monthly Market newsletters into a quarterly MarketFresh magazine.
- Establishing the facility to enable MMA personnel to send faxes electronically. Similarly incoming faxes are also received electronically.
- Encouraging staff to choose electronic communication as the preferred means and use of duplex printing wherever possible.

In addition, the MMA commenced purchase and consumption of Australian made 80% recycled paper.

FRUIT FLY

The MMA continues to support the Department of Primary Industry Plant Standards branch, in keeping the market community abreast of the Queensland Fruit Fly status in Victoria, following outbreaks in surrounding areas.

The Market site is being monitored for the presence of fruit fly. No infestations have been found to date on Market land.



CUSTOMER COMMUNICATIONS

The MMA uses various methods to communicate with its customers.

These include newsletters, electronic news screens, noticeboards, circulars, faxstreams and corporate and public websites.

BUSINESS DIRECTORIES

Business directories are compiled annually for the Fruit and Vegetable Market and Flower Market. These pocket-sized directories provide a comprehensive guide to services and traders and are provided free of charge to all registered Market users.

New traders receive an information kit as part the MMA's induction program.

BUSINESS CONTINUITY

As part of the MMA's business continuity plan, a secondary site has been established to house administration staff, IT servers and facilities needed to ensure the continuity of services in the event of any interruption to the MMA's current business operations.

Using virtualisation technology, the MMA can switch over operation of their IT systems to this contingent site if needed.

VICRELIEF FOODBANK - (SECONDBITE)

In October 2008 the MMA invited the VicRelief FoodBank into the Market to source surplus quality produce on a daily basis, and through SecondBite distribute this donated produce out into the broader community.

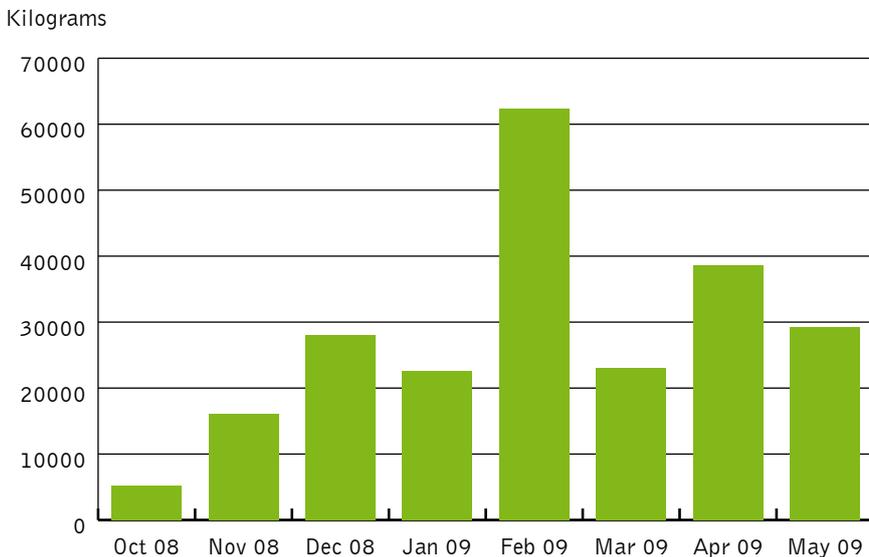
The MMA has provided three stands on the trading floor to FoodBank as a permanent collection site to receive excess quality produce from within the Market.

The donated products are distributed to charities, refugee centres and needy families who all welcome the opportunity of having access to fresh nutritious produce.

Response from wholesalers and growers to this initiative has been very successful. Following the Black Saturday bush fires (February 2009) a team from the MMA collaborated with VicRelief FoodBank and SecondBite to collect fresh produce from within the Market for communities affected by the bush fires. Twenty six tonnes of fresh, high quality produce was collected from wholesalers and growers in two days and passed onto the relief centres.

The MMA will continue to support and promote this worthy initiative which is supplying fresh produce to the most disadvantaged sectors of our community.

VICRELIEF FOODBANK FRESH PRODUCE DONATIONS





RISK MANAGEMENT

During the 2008/09 financial year the robustness and quality of the MMA's Risk Management Framework was reviewed by the Victorian Managed Insurance Authority (VMIA), as part of the VMIA's Risk Management Framework Quality Review process of Government Departments and Statutory Authorities.

The result of the review rated the MMA's Risk Management framework as 'Very Good'.

I, Peter McLennan, certify that the MMA has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The MMA Board verifies this assurance and that the risk profile of the MMA has been critically reviewed within the last 12 months.

Peter McLennan
CEO

WORKPLACE RELATIONS

The MMA Enterprise Agreement (No.5) 2007-2010, in its third year of operation, governs the workplace arrangements for employees at the MMA.

OCCUPATIONAL HEALTH & SAFETY PERFORMANCE

There three minor injuries to MMA staff employees in 2008/09.

There were no Improvement Notices or Prohibition Notices issued to the MMA during the reporting period.

INTERNAL AUDIT PROGRAM

Oakton AA Services Pty Ltd (Oakton), the MMA's Internal Auditor, continues to work through the MMA's three year Internal Audit Program developed in 2008.

The internal audit program provides assurance that the MMA's internal controls continue to be relevant and effective.



STAFFING

	Ongoing Employees			Fixed Term & Casual	
	Employees (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	FTE
June 2009	33	31	2	33	-
June 2008	33	32	2	33	-

	June 2008			June 2009		
	Ongoing		Fixed Term & Casual	Ongoing		Fixed Term & Casual
	Employees (headcount)	FTE	FTE	Employees (headcount)	FTE	FTE
Gender:						
Male	20	20	-	19	19	-
Female	13	13	-	14	14	-
Age:						
Under 25	1	1	-	2	2	-
25-34	8	8	-	6	6	-
35-44	9	9	-	9	9	-
45-54	11	11	-	10	10	-
55-64	4	4	-	6	6	-
Over 64	-	-	-	-	-	-
Total	33	33	-	33	33	-

- All figures reflect employment levels during the last full pay period of June of each year.
- Ongoing employees mean people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.
- FTE means full-time staff equivalent.
- Excluded are those persons on leave without pay or absent on secondment, external contractors/consultants, temporary staff employed by employment agencies, and people who are not employees but appointees to a statutory office, as defined in the *Public Administration Act 2004*.
- Employee classifications are as per those main classifications prescribed in the current Melbourne Market Authority Enterprise Agreement (No.5) 2007-2010.
- There was no major change in employment levels between June 2007 and June 2008.



WHISTLEBLOWER PROTECTION ACT 2001

The *Whistleblowers Protection Act 2001* commenced on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. This Act provides protection to whistleblowers who make disclosures in accordance with this Act, and establishes a system for matters disclosed to be investigated and rectifying action to be taken. The MMA is committed to the aims and objectives of the *Whistleblowers Protection Act 2001*. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct. Disclosures of improper conduct by the MMA or its employees may be made to the following:

Ms Yogi Pillay
Protected Disclosure Co-ordinator
Melbourne Market Authority
Box 1, 542 Footscray Rd
West Melbourne VIC 3003
Telephone 9258 6100

The Ombudsman Victoria
Level 22
459 Collins St
Melbourne VIC 3000
Telephone 9613 6222
Toll free 1800 806 314

DISCLOSURES

There have been no disclosures referred to the MMA or the Ombudsman or by the Ombudsman to the MMA under the Act since it commenced in January 2002.

PRIVACY POLICY

The MMA is bound by the National Privacy Principles, which are contained within the *Information Privacy Act 2000*, as amended. The MMA respects and values customers' privacy and takes all reasonable steps to ensure that any personal information collected is kept securely to prevent misuse, loss, unauthorised access or change. The MMA has developed a Privacy Policy Statement and has advised all customers of this policy in writing, posted it on the website and makes it available to all new customers at time of registration. There were no complaints or breaches in regard to privacy issues during the year.

MARKET RELOCATION TO EPPING



AERIAL VIEW OF NEW MARKET SITE IN EPPING

THE MARKET IS RELOCATING TO A LARGER SITE IN EPPING.
THE NEW MARKET IS EXPECTED TO OPEN IN 2012.

DURING 2008/09 THE CONTRACT PROCESS FOR THE CONSTRUCTION OF THE NEW MARKET COMMENCED, WITH REGISTRATIONS OF INTEREST CALLED ON 26 NOVEMBER 2008. EIGHT RESPONDENTS WERE INVITED TO THE EXPRESSION OF INTEREST STAGE ON 19 DECEMBER 2008 AND ON 1 MAY 2009 TENDERS WERE SOUGHT.

The State received tenders for the construction of the new Market facility on 13 August 2009. These tenders are being evaluated and work is planned to commence later this year with the Market scheduled to relocate to the new site during 2012.

During the year, the Minister for Major Projects, the Hon. Tim Pallas MP, visited the Market and met with many wholesalers, retailers and growers. These visits coincided with the latest round of Market community consultation. The Department of Innovation, Industry and Regional Development established an information centre at the Market during June 2009, and met with around 850 Market tenants who provided constructive comment back to the State on aspects of the new Market.

The consultation program will be continued and during the last quarter of 2009, a number of consultative committees will be established to focus on various elements of planning for the relocation. These committees will provide an important source of advice back to the State so that the views of the Market community can be fed back for decision making by Government.

The State is committed to the Market's relocation and, importantly, to working with the Market community to ensure successful outcomes. By working in partnership, the aim of creating a thriving, vibrant and sustainable operation for the future of the Market can be achieved.

FINANCE REPORT

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SIGNIFICANT ISSUES

There were no significant issues of a financial nature addressed during the financial year.

INCOME

There were some significant changes compared with last year, which was consistent with budget, with the key changes highlighted below:

TOTAL REVENUE \$20,615,142
- \$1,369,867 (- 6.2%)

The following items contributed to the movement in revenue:-

RENTAL INCOME \$18,657,772
+ \$537,702 (+3.0%)

This increase has resulted from the annual CPI increase to property rentals, increases to wholesaler stores and grower trading stands, increased casual car parking spaces, assignment fee revenues from the transfer of leases between market tenants, and additional land rentals.

INVESTMENT INCOME \$1,499,120
+ \$195,158 (+15.0%)

This increase has resulted from an increase in available funds for investment and increased interest rates of investments early in the financial year.

PROCEEDS FROM REIMBURSEMENT OF CAPITAL EXPENDITURE \$NIL
- \$1,991,354 (-100%)

No compensation was received from the Department of Transport for capital works required as a result of the Dynon Port Rail Link (DPRL) project works.

EXPENDITURE

There were some significant decreases compared with last year, which was consistent with budget, with the key changes highlighted below:

TOTAL EXPENSES \$14,973,229
- \$2,470,998 (-14.2%)

DEPRECIATION & AMORTISATION
\$4,712,293
- \$2,098,884 (-30.8%)

This decrease is due to the reduction in the accelerated depreciation of buildings resulting from the change of the planned date of relocation of the Market from 30 June 2011 to 31 December 2011.

EMPLOYEE BENEFITS AND EXPENSES \$3,215,808
- \$417,073 (-11.5%)

The expense incurred last year from Vision Super for contribution to the Defined Benefits Scheme for employees retrenched in previous years was not incurred this year. This decrease also resulted from reduced staff numbers for extended periods during the year.

FINANCE REPORT

FIVE YEAR FINANCIAL SUMMARY

	2009	2008	2007	2006	2005
	\$000	\$000	\$000	\$000	\$000
Revenue from government	-	2,001	26	82	5
Total income from transactions	20,615	21,985	18,619	18,110	16,947
Total expenses from transactions	14,963	17,417	20,748	18,542	12,760
Net result from transactions	5,652	4,568	(2,129)	(432)	4,187
Net result for the period	5,642	4,541	(2,180)	(457)	3,966
Net cash flow from operating activities	11,642	10,887	7,016	6,553	7,420
Total assets	124,931	119,559	97,444	110,620	80,435
Total liabilities	3,523	3,793	4,099	5,095	7,354

BUDGET PERFORMANCE

The Authority achieved a 1% better than budget revenue result, and a 4% better than budget expenditure result. This reflects an \$875,242 or 18% saving to budget for the year.

CORPORATE PERFORMANCE

The MMA uses a set of Key Performance Indicators (KPI's) as a means of measuring corporate performance across a range of financial and non-financial performance areas including:

- Return on Net and Fixed Assets.
- Performance against Revenue and Expense budgets.
- Customer Retention and Customer Usage of the Markets.
- Property Utilisation Rates.
- Employee Absenteeism and Accrued Leave.

Performance against each of these areas is measured and an aggregate index of corporate performance derived.

For the full year 2008/09, the MMA KPI's performance index was 104%, which means that in the aggregate MMA exceeded financial and non-financial performance targets by 4%.

DISCLOSURE REQUIREMENTS

The information relating to issues set out in FRD22B of the Directions of the Minister for Finance is available on request.

Members of the Board of the MMA and senior management are required to declare any pecuniary interests that may be relevant to their duties and responsibilities.

The MMA had, where applicable, complied with the *Building Act 1993*.

The MMA complies with the *Freedom of Information Act 1992* and has appointed Freedom of Information Officer – Yogi Pillay. No Freedom of Information requests were received during the year.

The MMA applies the principle of promotion on the basis of merit and equity in the treatment of all staff.

Matters relating to the government Competitive Neutrality Policy Victoria statement are being addressed systematically.

The MMA will provide other information as required on request.

MMA investments are held by Treasury Corporation of Victoria.

No tenders, subject to the *Victorian Industry Participation Policy Act 2003*, were processed during the year.

FINANCE REPORT

FINANCE, AUDIT AND RISK MANAGEMENT SUB-COMMITTEE

Membership comprises:

J Anderson 1 July 2008 - 30 June 2009
B Honig 1 July 2008 - 30 June 2009
B Constance 1 July 2008 - 30 June 2009

REMUNERATION SUB-COMMITTEE

Membership comprised:

J Anderson 1 July 2008 - 30 June 2009
N J Lowe 1 July 2008 - 30 June 2009

CONSULTING FEES

There were no consultancies with individual costs greater than \$100,000 or above.

There were 7 consultancies of less than \$100,000 each, which totalled \$168,455.

CONTRACTING FEES

There were 7 contracts with individual costs greater than \$100,000 which totalled \$3,296,447.

There were 46 contracts of less than \$100,000 each which totalled \$975,015.

ACKNOWLEDGEMENTS

The MMA gratefully acknowledges the support of the Department of Innovation, Industry and Regional Development; Department of Primary Industries; and other Government Agencies.

Advisory Committees established by the MMA have continued to provide valuable support and useful advice.

The MMA would also like to record its thanks for the dedicated support it has received from its employees to allow it to achieve its objectives and better serve the people of Victoria.

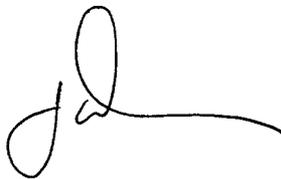
Finally, the MMA thanks the Market community and horticultural industry for the support and assistance which it has received over the past twelve months.

Yours sincerely,

MEMBERS OF THE AUTHORITY



N J Lowe, Chairman



J Anderson, Member



B Honig, Member



B Constance, Member

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board, Melbourne Market Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2009 of the Melbourne Market Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Chairman's, Accountable Officer's and Chief Financial Officer's Declaration has been audited.

The Members of the Board's Responsibility for the Financial Report

The Members of the Board of the Melbourne Market Authority are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Members of the Board, as well as evaluating the overall presentation of the financial report.

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of the Melbourne Market Authority for the year ended 30 June 2009. The Members of the Board of the Melbourne Market Authority are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Melbourne Market Authority website.

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Melbourne Market Authority as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
11 September 2009



D D R Pearson
Auditor-General

MELBOURNE MARKET AUTHORITY

Comprehensive Operating Statement for the year ended 30 June 2009

		2009	2008
	Notes	\$	\$
CONTINUING OPERATIONS			
INCOME FROM TRANSACTIONS			
Rental income	1(f)i, 2(a)	18,657,771	18,120,064
Interest	1(f)ii, 2(b)	1,499,120	1,303,962
Other income	2(c)	458,251	559,629
Grants and other transfers	1(f)iii, 2(d)	-	2,001,354
Total income from transactions		20,615,142	21,985,009
EXPENSES FROM TRANSACTIONS			
Employee benefits	1(g)i, 3(a)	(3,134,944)	(3,671,335)
Depreciation and amortisation	1(g)ii, 1(h), 3(b)	(4,712,293)	(6,811,177)
Interest expense	1(g)iv, 3(c)	(42,067)	(67,216)
Grants and other transfers	1(g)v, 3(d)	(64,033)	(69,654)
Other operating expenses	1(g)vi, 3(e)	(6,928,616)	(6,835,950)
Total expenses from transactions		(14,881,953)	(17,455,332)
Net result from transactions (net operating balance)		5,733,189	4,529,677
Other economic flows included in net result			
Net gain/(loss) on disposal of property, plant and equipment		(10,412)	(27,349)
Other gains/(losses) from other economic flows		(80,864)	38,454
Total other economic flows included in net result	1(h), 4	(91,276)	11,105
Net result		5,641,913	4,540,782
Other economic flows - other non-owner changes in equity			
Changes in physical asset revaluation reserve	11	-	17,880,000
Total other economic flows - other non-owner changes in equity		-	17,880,000
Comprehensive result		5,641,913	22,420,782

Note: Other operating expenses includes Supplies & services and Bad debts from transactions.

The above Comprehensive Operating Statement should be read in conjunction with accompanying notes

MELBOURNE MARKET AUTHORITY

Balance Sheet as at 30 June 2009

		2009	2008
	Notes	\$	\$
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	1(i)i	34,502,126	23,588,487
Receivables	1(i)ii, 8	151,413	1,295,940
Total Financial Assets	11(a)	34,653,539	24,884,427
NON-FINANCIAL ASSETS			
Prepayments		194,042	170,060
Property, plant and equipment	1(j)i, 6	89,990,650	94,383,866
Intangibles	1(j)ii, 7	92,623	120,663
Total Non-Financial Assets		90,277,315	94,674,589
Total Assets		124,930,854	119,559,016
LIABILITIES			
Payables	1(k)i, 9, 12(a)	2,698,684	2,658,143
Interest bearing liabilities	1(k)ii, 10, 12(a)	136,567	528,047
Provisions	1(k)iii, 5	687,961	607,097
Total Liabilities		3,523,212	3,793,287
Net Assets		121,407,642	115,765,729
EQUITY			
Accumulated surplus		42,462,435	36,820,522
Reserves	11	40,780,000	40,780,000
Contributed capital		38,165,207	38,165,207
Total Equity		121,407,642	115,765,729
Commitments for expenditure	16		
Contingent liabilities and contingent assets	17		

The above Balance Sheet should be read in conjunction with accompanying notes

MELBOURNE MARKET AUTHORITY

Statement of Changes in Equity for the year ended 30 June 2009

	Notes	Equity at 1 July 2008 \$	Total comprehensive result \$	Transactions with owners in their capacity as owners \$	Equity at 30 June 2009 \$
Accumulate surplus/(deficit)		36,820,522	5,641,913	-	42,462,435
Contributions by owners	1(n)	38,165,207	-	-	38,165,207
Physical asset revaluation reserve	11	40,780,000	-	-	40,780,000
Total equity at end of financial year		115,765,729	5,641,913	-	121,407,642

	Notes	Equity at 1 July 2007 \$	Total comprehensive result \$	Transactions with owners in their capacity as owners \$	Equity at 30 June 2008 \$
Accumulate surplus/(deficit)		32,279,740	4,540,782	-	36,820,522
Contributions by owners	1(n)	38,165,207	-	-	38,165,207
Physical asset revaluation reserve	11	22,900,000	17,880,000	-	40,780,000
Total equity at end of financial year		93,344,947	22,420,782	-	115,765,729

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

MELBOURNE MARKET AUTHORITY

Cash Flow Statement for the year ended 30 June 2009

		2009	2008
	Notes	\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Receipts from customers		19,432,478	17,998,084
Receipts from government		1,019,150	1,182,339
Goods & Services Tax recovered from the ATO		656,578	919,536
Interest received		1,572,925	1,431,538
Total receipts		22,681,131	21,531,497
PAYMENTS			
Payments to suppliers and employees		(8,999,752)	(8,499,631)
Goods & Services Tax paid to the ATO		(1,895,690)	(2,065,651)
Interest and other costs of finance paid		(42,440)	(67,897)
Other payments		(100,785)	(11,656)
Total payments		(11,038,667)	(10,644,835)
Net cash flows from/(used in) operating activities	23(b)	11,642,464	10,886,662
CASHFLOWS FROM INVESTING ACTIVITIES			
Payments for non-financial assets		(403,627)	(2,664,056)
Proceeds from sale of non-financial assets		66,282	99,698
Net cash flows from/(used in) investing activities		(337,345)	(2,564,358)
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of interest bearing liabilities		(391,480)	(619,866)
Net cash flows from/(used in) financing activities		(391,480)	(619,866)
Net increase/(decrease) in cash equivalents		10,913,639	7,702,438
Cash and cash equivalents at beginning of the year		23,588,487	15,886,049
Cash and cash equivalents at end of the year	23(a)	34,502,126	23,588,487

The above Cash Flow Statement should be read in conjunction with accompanying notes

MELBOURNE MARKET AUTHORITY

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards and Interpretations (AAS's). AAS's include Australian equivalents to International Financial Reporting Standards.

(b) BASIS OF PREPARATION

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AAS's management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. 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 in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009 and the comparative information presented in these financial statements for the year ended 30 June 2008.

(c) SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

Early adoption of AASB101 (September 2007)

As a result of the state wide policy to improve consistency in public sector reporting, the Authority has revised the presentation of its complete set of financial statements to align with the AASB 1049 presentation format, used in the Financial Report for the State and in the general government sector. In addition, the Authority has also early adopted the September 2007 version of AASB 101. There were no significant changes due to alignment of the Authority's financial statements presentation formats to AASB 1049.

In keeping with AASB 101 (September 2007) this complete set of financial statements includes the following changes.

The notion of:

- 'a complete set of financial statements' rather than using 'financial report';
- 'changes in equity' rather than 'movements in equity'; and
- 'transactions with owners in their capacity as owners' rather than 'transactions with owners as owners'.

References to equity holders as owner

Some of the changes applied to the financial statements and notes as a result of alignment to AASB 1049 that are allowable under the AASB 101 (September 2007) include the following.

- Extended operating statement incorporating non-owner changes in equity, which is now referred to as comprehensive operating statement.
- Items being presented by liquidity order in the balance sheet.
- The inclusion of a limited number of Government Finance Statistics (GFS) classifications, such as income or expenses from transactions, and other economic flows.

- a glossary of terms included in the notes explaining certain terms, including GFS terms adopted.

(i) Comprehensive operating statement

The comprehensive operating statement includes items previously included in the statement of changes in equity.

Income and expenses in the comprehensive operating statement are separated into either 'transactions' or 'other economic flows'.

(ii) Balance sheet

Items of assets and liabilities in the balance sheet are:

- ranked in liquidity order;
- aggregated into financial and non-financial assets;
- classified according to GFS terminology, but retain measurement and disclosure rules under existing accounting standards applicable to the Authority; and
- current versus non-current assets and liabilities are disclosed in the notes where relevant.

(iii) Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the year to the closing balance at the end of the year, showing separately movements due to amounts recognised in the comprehensive result and amounts recognised in equity related to transactions with owners in their capacity as owners.

(iv) Cash flow statement

The cash flow statement classifies flows by operating, investing and financing activities in accordance with AASB 107 Cash Flow Statements.

(d) REPORTING ENTITY

The financial statements cover the Melbourne Market Authority as an individual reporting entity. The Authority is a statutory authority of the State of Victoria, established pursuant to the *Melbourne Market Act 1977*. Its principal address is 542 Footscray Road, West Melbourne, Victoria, 3003.

A description of the nature of the Authority's operations and its principal activities is included in the Report of Operations on Page 12 which does not form part these financial statements.

(e) GOODS AND SERVICES TAX

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

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

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

Commitments and contingent assets or liabilities are presented on a gross basis.

(f) INCOME FROM TRANSACTIONS

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the Authority's major activities as follows:

(i) Rental income

Rental income from the leasing of investment properties is recognised on a straight-line basis over the lease term.

(ii) Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(iii) **Grants**

Grants from third parties are recognised as revenue in the reporting period in which the Authority gains control over the underlying assets.

(g) **EXPENSES FROM TRANSACTIONS**

(i) **Employee benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement and are recognised as current liabilities.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Authority in respect of services provided by employees up to reporting date. These provisions are recognised as non-current liabilities, when the employee does not have a present entitlement to the benefit.

Expenses for employee benefits are recognised when incurred, except for contributions in respect of defined benefit plans.

(ii) **Superannuation – defined benefit plans**

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Authority to the superannuation plan in respect to the current services of current Authority staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Department of Treasury and Finance centrally recognises the defined benefit liability or surplus of most Victorian government employees in such funds.

(iii) **Depreciation and amortisation**

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

Leasehold improvements are depreciated over the estimated useful life using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

This useful life of buildings continues to reflect the expected cessation of market operations at the West Melbourne site in December 2011.

The following estimated useful lives are used in the calculation of depreciation:

	Depreciation Rates		Useful Life	
	2009	2008	2009	2008
Buildings	40%	29%	2.5 years	3.5 years
Computer Equipment	33%	33%	3 years	3 years
Motor Vehicles	17%	17%	6 years	6 years
Market Equipment	17%	17%	6 years	6 years
Office Furniture	5 to 17%	5% to 17%	6 to 20 years	6 to 20 years

Intangible assets with finite useful lives are amortised on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended

by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

(iv) Interest expense

Interest expenses are recognised as expenses in the period in which they are incurred.

(v) Grants and other transfers

Grants and other transfers to third parties are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as sponsorships and customer incentive programs.

(vi) Other operating expenses

Supplies and services

Expenses are recognised as an expense in the reporting period in which they are incurred.

(h) OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on disposal of non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments, and disposals of all physical assets and intangible assets.

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

(i) FINANCIAL ASSETS

(i) Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as interest bearing liabilities on the balance sheet.

(ii) Receivables

Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified (refer to Note 1(h)).

(iii) Investments, loans and other financial assets

(a) Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that

exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

(b) Held-to-maturity investments

Where the Authority has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

(j)

NON - FINANCIAL ASSETS

(i) Property, plant and equipment

All non-current physical assets except land under declared roads are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

(a) Revaluations of non-current physical assets

Non-current physical assets measured at fair value are revalued in accordance with FRDs issued by the Minister for Finance. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Revaluation increases are credited directly to equity in the revaluation reserve, except to the extent that an increase reverses a revaluation decrease in respect of that class of property, plant and equipment, previously recognised as an expense (other economic flows) in the net result, the increase is recognised as income (other economic flows) in determining the net result.

Revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except to the extent that a credit balance exists in the revaluation reserve in respect of the same class of property, plant and equipment, they are debited to the revaluation reserve.

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

Revaluation reserves are not normally transferred to accumulated funds on de-recognition of the relevant asset.

(b) Non-current physical assets constructed by the Authority

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

(ii) Intangible assets

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Authority.

(k)

LIABILITIES

(i) Payables

Payables represent liabilities for goods and services provided to the Authority that are unpaid at the end of the financial year. Payables are initially measured at fair value, being the cost of the goods and services, and then subsequently measured at amortised cost.

(ii) Interest bearing liabilities

Interest bearing liabilities are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs.

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability using the effective interest rate method.

(iii) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

(iv) Employee benefits

(a) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(b) Long service leave

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

Current liability – unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Authority does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value – component that the Authority does not expect to settle within 12 months; and
- nominal value – component that the Authority expects to settle within 12 months.

Non-current liability – conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

(c) Termination benefits

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

(v) Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

(I) COMMITMENTS

Commitments are disclosed at their nominal value and inclusive of the GST payable.

MELBOURNE MARKET AUTHORITY

Notes to Financial Statements 30 June 2009 (continued)

(m) CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(n) EQUITY

Contributions by owners

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

(o) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. DTF assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As advised in Note 1(c) the Authority has early adopted the September 2007 version of AASB 101.

As at 30 June 2009, the following standards and interpretations (applicable to departments) had been issued but were not mandatory for financial year ending 30 June 2009. The Authority has not, and does not intend to, adopt these standards early.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on departmental financial statements
AASB 8 Operating Segments	Supersedes AASB 114 Segment Reporting	Beginning 1 Jan 2009	Not applicable
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038].	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 123 Borrowing Costs	Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets. In February 2009, the AASB decided that not-for-profit public sector entities could continue to expense borrowing costs attributable to qualifying assets pending the outcome of various IPSASB/AASB projects.	Beginning 1 Jan 2009	The Authority continues to expense borrowing costs.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Same as AASB 123 above.
AASB 2008-2 Amendments to Australian Accounting Standards - Portable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]	This Amending Standard introduces an exception to the definition of financial liability to classify as equity instruments certain portable financial instruments and certain instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation of the entity.	Beginning 1 Jan 2009	Not applicable to not-for-profit entities.

MELBOURNE MARKET AUTHORITY

Notes to Financial Statements 30 June 2009 (continued)

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on departmental financial statements
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 & AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]	This Standard gives effect to consequential changes arising from revised AASB 3 and amended AASB 127. The Prefaces to those Standards summarise the main requirements of those Standards.	Beginning 1 July 2009	Impact expected to be insignificant.
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]	A suite of amendments to existing standards following issuance of IASB Standard Improvements to IFRSs in May 2008. Some amendments result in accounting changes for presentation, recognition and measurement purposes.	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements project [AASB 1 & AASB 5]	The amendments require all the assets and liabilities of a for-sale subsidiary's to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation.	Beginning 1 July 2009	Impact expected to be insignificant.
AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]	Changes mainly relate to treatment of dividends from subsidiaries or controlled entities	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139]	The amendments to AASB 139 clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations.	Beginning 1 July 2009	Impact is being evaluated.
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	Amendments to AASB 1049 for consistency with AASB 101 (September 2007) version.	Beginning 1 Jan 2009	Not applicable to public sector entities except for certain presentation formats.

(p) **TAXATION**

The Authority is exempt from paying income tax.

NOTE 2 INCOME FROM TRANSACTIONS

	2009	2008
	\$	\$
(a) RENTAL INCOME		
Rents received for:		
- Fruit and vegetable trading stands	4,245,520	3,535,254
- Wholesale stores	8,209,151	8,003,112
- National Flower Centre trading stands	1,309,637	1,256,404
- Other commercial rents	1,944,271	2,035,801
- Parking	2,949,193	3,289,493
Total rental income	18,657,771	18,120,064
(b) INTEREST		
Interest on bank deposits	1,499,120	1,303,962
Total interest revenue	1,499,120	1,303,962
(c) OTHER INCOME		
Marketing revenues	290,655	396,140
Other	167,596	163,489
Total other income	458,251	559,629
(d) GRANTS AND OTHER TRANSFERS		
Victorian Department of Transport	-	1,991,354
Victorian Department of Human Services	-	10,000
Total grants and other transfers	-	2,001,354

NOTE 3 EXPENSES FROM TRANSACTIONS

	2009	2008
(a) EMPLOYEE BENEFITS	\$	\$
Post employment benefits:		
- Defined benefit superannuation expense	24,076	163,154
Termination benefits	21,956	107,737
Salaries, wages and long service leave	3,169,776	3,361,990
Total employee benefits	3,215,808	3,632,881
(b) DEPRECIATION AND AMORTISATION		
Depreciation of non-current assets	4,631,765	6,748,359
Amortisation of intangible assets	80,528	62,819
Total depreciation and amortisation	4,712,293	6,811,177
(c) INTEREST EXPENSE		
Interest on borrowings	23,729	49,360
Other finance costs	18,338	17,856
Total interest expense	42,067	67,216
(d) GRANTS AND OTHER TRANSFERS (OTHER THAN CONTRIBUTIONS BY OWNERS)		
Grants to external organisations	64,033	69,654
Total grants and other transfers	64,033	69,654
(e) OTHER OPERATING EXPENSES		
Supplies and services:		
- Market operations	3,133,298	2,852,171
- Repairs and maintenance	789,477	696,851
- Fuels, rates and taxes	746,605	786,647
- Marketing and media	571,438	913,134
- Audit and insurance	595,867	421,869
- Professional services	423,554	473,435
- Other	664,600	691,843
Total supplies and services	6,924,839	6,835,950
Bad debts from transactions	3,777	-
Total other operating expenses	6,928,616	6,835,950

NOTE 4 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	2009	2008
NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS	\$	\$
Net gain/(loss) on disposal of physical assets	(10,412)	(27,349)
OTHER GAINS/(LOSSES) FROM OTHER ECONOMIC FLOWS		
Net gain/(loss) arising from revaluation of leave liability*	(80,864)	38,454
Total net gain/(loss) on non-financial assets	(91,276)	(11,105)

* Note: Revaluation gain/(loss) due to changes in bond rates.

NOTE 5 PROVISIONS

	2009	2008
CURRENT	\$	\$
Employee benefits	567,014	506,225
Provisions relating to employee benefit on-costs	96,393	92,221
Total current provisions	663,407	598,446
NON-CURRENT		
Employee benefits	20,986	7,318
Provisions relating to employee benefit on-costs	3,568	1,333
Total non-current provisions	24,554	8,651
(a) Current		
All annual leave and LSL entitlements representing >7 years of continuous service		
Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	196,701	221,509
Other long-term employee benefits, that do not fall due within 12 months after the end of the period measured at present value	370,313	284,716
Employee benefits	567,014	506,225
Provisions relating to employee benefit on-costs	96,393	92,221
Total current provisions	663,407	598,446
(b) Non-Current		
LSL representing <7 years of continuous service measured at present value		
Employee benefits	20,986	7,318
Provisions relating to employee benefit on-costs	3,568	1,333
Total non-current provisions	24,554	8,651
Total provisions	687,961	607,097
(c) Movement in Provisions		
Opening balance	607,097	645,551
Net increase/(decrease) in provisions	80,864	(38,454)
Closing balance	687,961	607,097

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

	2009	2008
	\$	\$
LAND		
As per managerial revaluation 30 June 2008	77,480,000	77,480,000
	77,480,000	77,480,000
BUILDINGS AND IMPROVEMENTS		
At independent valuation 30 June 2006	28,640,348	28,640,348
At Cost	3,060,504	3,060,616
Less: Accumulated depreciation	(19,787,608)	(15,379,539)
	11,913,244	16,321,425
PLANT AND EQUIPMENT		
Office Furniture, Plant and Equipment (at cost)	293,375	620,255
Less: Accumulated Depreciation	(273,809)	(590,614)
	19,566	29,641
Market Equipment (at cost)	799,321	4,395,870
Less: Accumulated Depreciation	(669,414)	(4,212,636)
	129,907	183,234
Computer Equipment (at cost)	647,242	738,360
Less: Accumulated Depreciation	(424,709)	(606,592)
	222,533	131,768
Motor Vehicles (at cost)	409,021	399,313
Less: Accumulated Depreciation	(183,621)	(161,515)
	225,400	237,798
Total Plant and Equipment	597,406	582,441
Total Property, Plant and Equipment	89,990,650	94,383,866

FREEHOLD LAND AND BUILDINGS CARRIED AT FAIR VALUE

An independent valuation to determine the fair value of the Authority's Land and buildings was last performed by Urbis Consulting property advisors at 30 June 2006.

Management assessed the carrying amount of land at 30 June 2008 to differ materially from its fair value at 30 June 2006. Management determined that a material difference (greater than 10%) of 30% had occurred from the previous carrying amount based on land indexation factors provided by the Valuer-General Victoria (VGV). As a result, a land revaluation increment of \$17.88M was recorded as at 30 June 2008.

Management has assessed the carrying amount of land at 30 June 2009 did not differ materially from its fair value at 30 June 2008. Management determined this based on an independent valuation undertaken by Urbis Valuations as at 30 June 2009.

MELBOURNE MARKET AUTHORITY

Notes to Financial Statements 30 June 2009 (continued)

NOTE 6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATIONS

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

	Freehold land	Buildings	Office Furniture & Equip.	Computer Equip.	Market Equip.	Motor Vehicles	In Course of Construction	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
YEAR 2009:								
Carrying amount at start of year	77,480	16,321	30	132	183	238	-	94,384
Additions	-	14	-	175	10	118	-	317
Net revaluation increments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(78)	-	(78)
Depreciation expense	-	(4,422)	(10)	(84)	(63)	(53)	-	(4,632)
Carrying amount at end of year	77,480	11,913	20	223	130	225	-	89,991
YEAR 2008:								
Carrying amount at start of year	59,600	20,394	41	121	191	299	116	80,762
Additions	-	2,474	3	77	56	113	-	2,723
Net revaluation increments	17,880	-	-	-	-	-	-	17,880
Disposals	-	-	-	-	-	(117)	(116)	(233)
Depreciation expense	-	(6,547)	(14)	(66)	(64)	(57)	-	(6,748)
Carrying amount at end of year	77,480	16,321	30	132	183	238	-	94,384

NOTE 7 INTANGIBLE ASSETS

	2009	2008
SOFTWARE	\$	\$
Gross carrying amount		
Opening balance	975,329	927,882
Additions	52,488	47,447
Closing Balance	1,027,817	975,329
Accumulated amortisation		
Opening balance	(854,666)	(791,849)
Amortisation expense	(80,528)	(62,817)
Closing Balance	(935,194)	(854,666)
Net book value as at 30 June 2009	92,623	120,663

Amortisation expense is included in the line item 'depreciation and amortisation expense' in the comprehensive operating statement.

NOTE 8 RECEIVABLES

	2009	2008
CURRENT RECEIVABLES	\$	\$
Contractual		
Rental income	10,037	61,608
Statutory		
Amounts owing from Victorian Government	141,376	1,234,332
Total current receivables	151,413	1,295,940
Total Receivables	151,413	1,295,940

NOTE 9 PAYABLES

	2009	2008
CURRENT PAYABLES	\$	\$
Contractual		
Supplies and services	798,451	926,302
Rentals in advance	1,406,443	1,141,848
Tenant bonds and retention monies	375,002	474,693
	2,579,896	2,542,843
Statutory		
Taxes payable	118,788	115,300
	118,788	115,300
Total Payables	2,698,684	2,658,143

NOTE 10 INTEREST BEARING LIABILITIES

	2009	2008
	\$	\$
CURRENT		
Interest bearing liabilities with financial institutions	136,567	391,474
	<u>136,567</u>	<u>391,474</u>
NON-CURRENT		
Interest bearing liabilities with financial institutions	-	136,573
	<u>-</u>	<u>136,573</u>
AGGREGATE CARRYING AMOUNT OF INTEREST BEARING LIABILITIES		
Current	136,567	391,474
Non-Current	-	136,573
Total interest bearing liabilities	136,567	528,047

(a) VARIABLE RATE LOANS

These are variable rate loans advanced by Treasury Corporation of Victoria with principal and interest repayable over the period to 26 October 2009.

(b) MATURITY ANALYSIS OF INTEREST BEARING LIABILITIES

Maturity analysis of interest bearing liabilities are detailed in Note 12.

(c) DEFAULTS AND BREACHES

During the current and prior year there were no defaults and breaches of the loan.

NOTE 11 RESERVES

	2009	2008
	\$	\$
ASSET REVALUATION RESERVE		
Balance at the beginning of the finance year	40,780,000	22,900,000
Revaluation (increments)/(decrements)	-	17,880,000
Balance at end of financial year	40,780,000	40,780,000

Note: The asset revaluation reserve arises on the revaluation of land and buildings.

NOTE 12 FINANCIAL INSTRUMENTS

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Authority's principal financial instruments comprise of:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables; and
- borrowings.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

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

	2009	2008
	\$	\$
CATEGORISATION OF FINANCIAL INSTRUMENTS		
Financial assets		
Cash and deposits	34,502,126	23,588,487
Receivables	151,413	1,295,940
Total financial assets	34,653,539	24,884,427
Financial liabilities		
Trade creditors	351,332	258,246
Other creditors	2,228,564	2,284,596
Interest bearing liabilities	136,567	528,047
Total financial liabilities	2,716,463	3,070,889
<i>Note: The total amount of financial liabilities disclosed here excludes statutory payable.</i>		
NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets		
Cash and deposits	1,499,120	1,303,962
	1,499,120	1,303,962
Financial liabilities		
Interest bearing liabilities	(42,067)	(67,216)
	(42,067)	(67,216)

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

(b) CREDIT RISK

The amount of credit risk on financial assets of the Authority, which have been recognised on the Balance Sheet, is generally the carrying amount.

Financial assets that are either past due or impaired

The following table discloses the ageing only of financial assets that are past due but not impaired.

AGEING ANALYSIS OF FINANCIAL ASSETS

	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			< 1 mth	1-3 mths	3mths-1year	1-5 years	
	\$	\$	\$	\$	\$	\$	\$
YEAR 2009:							
Receivables							
Other debtors	10,037	10,037	1,310	8,727	-	-	-
YEAR 2008:							
Receivables							
Other debtors	61,608	61,608	57,362	4,246	-	-	-

Note: Ageing analysis excludes statutory financial assets (ie. amounts owing from Victorian Government).

(c) LIQUIDITY RISK

The Authority's exposure to liquidity risk is deemed insignificant. The organisation is able to meet its financial obligations as they fall due.

The following table discloses the contractual maturity analysis for the Authority's financial liabilities.

MATURITY ANALYSIS OF FINANCIAL LIABILITIES

	Carrying Amount	Nominal amount	Maturity dates			
			< 1 mth	1-3 mths	3mths-1 year	1-5 years
	\$	\$	\$	\$	\$	\$
YEAR 2009:						
Payables						
Amounts payable to other Government agencies	118,788	118,788	107,050	11,738	-	-
Other payables	2,579,896	2,579,896	2,204,894	-	-	375,002
Interest bearing liabilities:						
Advances from Government	136,567	136,567	-	-	136,567	-
	2,835,251	2,835,251	2,311,944	11,738	136,567	375,002
YEAR 2008:						
Payables						
Amounts payable to other Government agencies	115,300	115,300	103,102	12,198	-	-
Other payables	2,542,843	2,542,843	2,068,149	-	-	474,694
Interest bearing liabilities:						
Advances from Government	528,047	528,047	-	-	-	528,047
	3,186,190	3,186,190	2,171,251	12,198	-	1,002,741

Note: The amounts disclosed are the contractual undiscounted cashflows of each class of financial liabilities.

MELBOURNE MARKET AUTHORITY

Notes to Financial Statements 30 June 2009 (continued)

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

(d) MARKET RISK

The Authority's exposure to market risk, which includes interest rate risk, is deemed insignificant. This risk is minimised by the Authority's financial instruments being mostly fixed rate and non-interest bearing.

INTEREST RATE RISK EXPOSURE OF FINANCIAL INSTRUMENTS

	Fixed Interest Rate		Variable Interest Rate	Non- Interest Bearing	Total
	< 1 year	1-5 years			
	\$	\$	\$	\$	\$
YEAR 2009:					
Financial Assets					
Cash and cash equivalents	31,000,000	-	3,499,572	2,554	34,502,126
Receivables	-	-	-	151,413	151,413
	31,000,000	-	3,499,572	153,967	34,653,539
Weighted average interest rate	5.56%		4.70%		
Financial Liabilities					
Trade and other creditors	-	-	-	2,579,896	2,579,896
Interest bearing liabilities	136,567	-	-	-	136,567
	136,567	-	-	2,579,896	2,716,463
Weighted average interest rate	6.87%				
Net financial assets/(liabilities)	30,863,433	-	3,499,572	(2,425,929)	31,937,076
YEAR 2008:					
Financial Assets					
Cash and cash equivalents	18,000,000	-	5,585,755	2,732	23,588,487
Receivables	-	-	-	1,295,940	1,295,940
	18,000,000	-	5,585,755	1,298,672	24,884,427
Weighted average interest rate	6.82%		6.71%		
Financial Liabilities					
Trade and other creditors	-	-	-	2,542,843	2,542,843
Interest bearing liabilities	391,474	136,573	-	-	528,047
	391,474	136,573	-	2,542,843	3,070,890
Weighted average interest rate	6.87%	6.87%			
Net financial assets/(liabilities)	17,608,526	(136,573)	5,585,755	(1,244,171)	21,813,537

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

MARKET RISK EXPOSURE

	Carrying Amount	Interest Rate Risk	
		-100 Basis Points	+100 Basis Points
	\$	\$	\$
YEAR 2009			
Financial Assets			
Cash and deposits	3,502,126	(35,021)	35,021
Receivables	151,413	-	-
Financial Liabilities			
Trade and other creditors	2,579,896	-	-
Total Amount		(35,021)	35,021

	Carrying Amount	Interest Rate Risk	
		-100 Basis Points	+100 Basis Points
	\$	\$	\$
YEAR 2008			
Financial Assets			
Cash and deposits	5,588,487	(55,885)	55,885
Receivables	1,295,940	-	-
Financial Liabilities			
Trade and other creditors	2,542,842	-	-
Total Amount		(55,885)	55,885

(e) FAIR VALUE

The aggregate net fair values of financial assets and liabilities, both recognised and unrecognised, at the balance date are equal to their carrying amount as per the balance sheet.

NOTE 13 RESPONSIBLE PERSONS

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

NAMES

The persons who held the above positions in the Authority are as follows:

Minister for Major Projects	The Hon. Tim Pallas	8 May 2009 to 30 June 2009
Minister for Agriculture	The Hon. Joe Helper	1 July 2008 to 7 May 2009
Board Chairman	Mr N J Lowe	1 July 2008 to 30 June 2009
Board Member	Ms J M Anderson	1 July 2008 to 30 June 2009
Board Member	Ms B Honig	1 July 2008 to 30 June 2009
Board Member	Ms B M Constance	1 July 2008 to 30 June 2009
Chief Executive	Mr P G McLennan	1 July 2008 to 30 June 2009

NOTE 13 RESPONSIBLE PERSONS (CONTINUED)

REMUNERATION

Remuneration received or receivable by the Accountable Officers in conjunction with the management of the Authority during the reporting period was in the range:

\$250,000 - 259,999 (2008: \$230,000 - 239,999)

Persons other than the Accountable Officer:

	2009	2008
Income Band	No.	No.
\$0 - \$9,999	-	2
\$10,000 - \$19,999	3	2
\$20,000 - \$29,999	-	-
\$30,000 - \$39,999	1	1
Total Numbers	4	5
Total Amount	\$84,619	\$74,869

Amounts relating to the Ministers are reported in the financial statements of the Department of Premier and Cabinet.

OTHER TRANSACTIONS

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

NOTE 14 REMUNERATION OF EXECUTIVES

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

(a) EXECUTIVE OFFICER REMUNERATION

Income Band	Total Remuneration		Base Remuneration	
	2009	2008	2009	2008
	No.	No.	No.	No.
\$100,000 - 109,999	-	-	3	1
\$110,000 - 119,999	3	2	-	1
\$120,000 - 129,999	-	1	2	1
\$130,000 - 139,999	-	-	-	1
\$140,000 - 149,999	2	1	1	1
\$150,000 - 159,999	1	-	1	-
\$160,000 - 169,999	-	2	-	-
\$170,000 - 179,999	-	-	-	-
\$180,000 - 189,999	1	1	-	-
Total numbers	7	7	7	5
Total amount	\$985,092	\$1,005,849	\$866,021	\$681,125

NOTE 14 REMUNERATION OF EXECUTIVES (CONTINUED)

(b) EXECUTIVE OFFICER DATA

Table 1: Number of Executive Officers classified into 'Ongoing'

Class	All		Ongoing	
	No.	Var	No.	Var
Authority	7	-	7	-
Total	7	-	7	-

Table 2: Breakdown of Executive Officers into Gender for 'Ongoing'

Class	Male		Female		Vacancies
	No.	Var	No.	Var	
Authority	5	-	2	-	-
Total	5	-	2	-	-

Table 3: Reconciliation of Executive Numbers

	2009	2008
	No.	No.
Executives with remuneration over \$100,000 (Note 14a)	7	7
Add Vacancies (Table 2)	-	-
Executives with total remuneration below \$100,000	-	1
Accountable Officer (Secretary)	1	1
Less Separations	-	-1
Total Executive numbers at 30 June 2009	8	8

NOTE 15 REMUNERATION OF AUDITORS

	2009	2008
	\$	\$
Audit fees paid or payable to the Victorian Auditor-General's Office (VAGO) for audit of the Authority's financial report:	38,200	34,700
Amounts due and receivable by the Auditor-General	38,200	34,700

NOTE 16 COMMITMENTS FOR EXPENDITURE

The Authority has operating commitments to various service contracts extending forward a number of financial years. Details are noted below:

	2009	2008
	\$	\$
Not longer than 1 year	2,361,090	1,936,939
Longer than 1 year but less than 5 years	1,177,343	1,781,399
Longer than 5 years	-	-
Total commitments payable	3,538,433	3,718,338

NOTE 17 CONTINGENT ASSET/LIABILITY

As at 30 June 2009 there were no contingent liabilities or assets to report.

NOTE 18 EMPLOYEE ENTITLEMENTS

(a) GOVERNMENT EMPLOYEE'S SUPERANNUATION FUND

No liability is recognised in the Balance Sheet for the Authority's share of the the State's unfunded superannuation liability. The State's unfunded superannuation liability has been reflected in the financial statements of the Department of Treasury and Finance.

Superannuation contributions for the reporting period are included as part of salaries and associated costs in the Comprehensive Operating Statement of the Authority and are contributed in accordance with respect to employee agreements at the rate of 9% to 14.5% (2008: 9% to 14.5%). The Authority has no loans outstanding to or from any superannuation fund.

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

	2009	2008
	\$	\$
Vision Super - Accumulation Fund	303,781	308,393
Vision Super - Defined Benefit Fund (includes benefit paid to employees retrenched in previous years \$150,073)	174,149	18,839
Vic Super	98,017	99,874
Macquarie Wrap Solutions	36,349	18,609
Colonial Master Fund	29,028	26,203
Constance Family Super Fund	17,387	571
LUCRF Super	11,017	8,684
HESTA Super	9,441	4,008
MLC Masterkey Superannuation	8,922	8,225

(b) NUMBER OF EMPLOYEES AT THE REPORTING DATE

	2009	2008
	No.	No.
Payroll employees	33	33
Staff	4	4
Board members	37	37
Total	37	37
Assumed rate of increase in wage and salary rates	3.00%	3.00%
Discount rate	5.48%	6.55%
Settlement term (years)	10	10
Settlement term (years) pro rata	7	7

NOTE 19 SEGMENT INFORMATION

The Authority operates predominantly in the Victorian horticultural industry. The Authority's operations and customers are located predominantly in Victoria. The Authority provides landlord services.

NOTE 20 SUBSEQUENT EVENTS

The Department of Industry, Innovation and Regional Development (DIIRD) has advised that the anticipated date of the closure of the Footscray Road market has changed from 31 December 2011 to 30 June 2012. The financial impact of the change will see a revision to the economic life of assets (principally buildings) which will consequently see a reduction in the depreciation charge for the 2009/10 financial year.

NOTE 21 EX-GRATIA PAYMENTS

	2009	2008
	\$	\$
Ex-gratia payments were made to members of the Authority's five advisory committees for reimbursement of office costs	16,750	12,500
Amounts due and paid to Advisory Committee members	16,750	12,500

NOTE 22 LEASES RECEIVABLE

Operating leases relate to operating property owned by the Authority with lease terms of between one to five years, with no option to extend. The lessee does not have an option to purchase the property at the expiry of the lease period.

	2009	2008
	\$	\$
Non-cancellable operating leases receivable		
Not longer than 1 year	10,249,049	9,827,742
Longer than 1 year but less than 5 years	5,426,160	15,236,071
Longer than 5 years	-	-
Total non-cancellable operating leases receivable	15,675,209	25,063,813

NOTE 23 CASHFLOW INFORMATION

	2009	2008
	\$	\$
(a) RECONCILIATION OF CASH & CASH EQUIVALENTS		
Total cash and cash equivalents disclosed in the balance sheet	34,502,126	23,588,487
Balance as per cashflow statement	34,502,126	23,588,487
(b) RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASHFLOWS FROM OPERATING ACTIVITIES		
Net result for the period	5,641,913	4,540,782
Non-cash movements		
(Gain)/loss on disposal of non-current assets	10,412	27,349
Depreciation and amortisation of non-current assets	4,712,293	6,811,177
Movements in assets and liabilities		
(Increase)/decrease in current receivables	1,043,740	(851,034)
(Increase)/decrease in current prepayments	(23,982)	44,935
Increase/(decrease) in current provisions	80,864	(38,454)
Increase/(decrease) in current rent in advance	264,595	393,721
Increase/(decrease) in current payables	(87,371)	(41,814)
Net cashflows from/(used in) operating activities	11,642,464	10,886,662

NOTE 24 GLOSSARY OF TERMS

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense from transactions and actual experience.

Associates

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs.

Commitments

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

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Financial asset

A financial asset is any asset that is:

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

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants for on passing

All grants paid to one institutional sector (e.g. a State general government) to be passed on to another institutional sector (e.g. local government or a private non profit institution).

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest revenue

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received.

Investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Joint ventures

Joint ventures are contractual arrangements between the Department and one or more other parties to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Net acquisition of non-financial assets (from transactions)

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

Net result

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

Net result from transactions/net operating balance

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

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'.

Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of

non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non produced) from their use or removal. In simple terms, other economic flows are changes arising from market re measurements.

Payables

Includes short and long-term trade debt and accounts payable, grants and interest payable.

Receivables

Includes short and long-term trade credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and services

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

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department.

Transactions

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

CHAIRMAN'S, ACCOUNTABLE OFFICER'S & CHIEF FINANCIAL OFFICER'S DECLARATION

We certify that the attached financial statements for the Melbourne Market Authority have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Cashflow Statement, Statement of Changes in Equity and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2009 and financial position of the Authority as at 30 June 2009.

We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Melbourne Market Authority dated 11th day of September 2009.



N J Lowe
Chairman



P G McLennan
CEO



D J Coulson
CFO

MELBOURNE MARKET AUTHORITY

DISCLOSURE INDEX (continued)

Other disclosures as required by FRDs in notes to the financial statements

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now...



1989



1994



1999

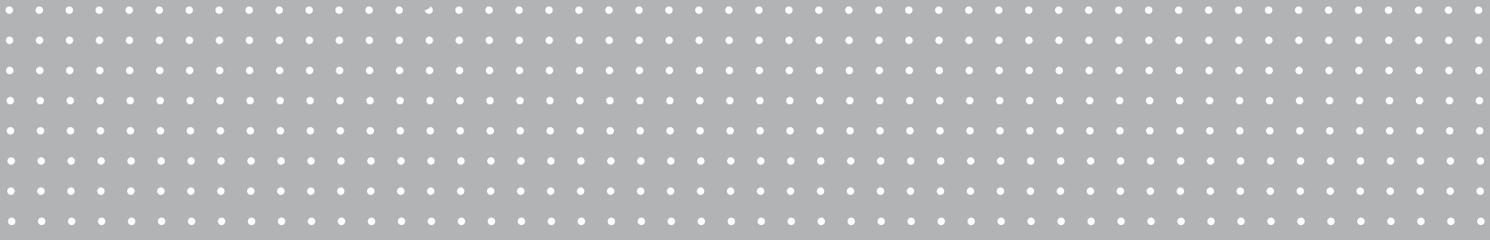


2004



2009





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