



2014/2015

YEAR IN REVIEW

MELBOURNE CONVENTION BUREAU

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MINISTER FOR TOURISM AND MAJOR EVENTS

World class international association conferences, corporate meetings and incentive travel programs make an impressive contribution to Victoria's visitor economy and the Melbourne Convention Bureau (MCB) continues to lead the way in attracting these lucrative events to the State. A total of 179 international association conferences and incentive events, estimated to contribute \$179 million, will be delivered through to the year 2021, a testament to the solid focus on winning new international business in the 2014/15 financial year.

For the second year running, Melbourne was named Australasia's leading meetings and conference destination at the World Travel Awards. This is recognition of the city's infrastructure, intellectual capital and aesthetics, and an acknowledgment of the committed group of people working in the business events industry. Success has been delivered by adopting the 'Team Melbourne' approach city-wide, a great example of how strong collaboration can help deliver economic prosperity.

The Victorian Government recognises the positive impact business events have on the economic environment and as a strong advocate of business events, has taken an active role with MCB throughout the financial year to attract and secure large international conferences and incentive travel programs to Melbourne and regional Victoria.

In March 2015, the Victorian Government commissioned a review of Victoria's visitor economy, to identify the best way to develop and grow this vital sector. Emerging markets in Asia mean Victoria is facing increasing competition for these visitors. The inclusion of business events, having the largest yield of all tourism sectors, is a critical component of the review.

The Victorian Government has also committed to an expansion of the Melbourne Convention and Exhibition Centre. The completion of the expansion in 2018 will result in a boost to the Victorian economy - driven by the attraction of additional interstate and international visitors each year, increasing spending in the State by \$167 million per annum.

I would like to take this opportunity to thank the MCB team, led by CEO Karen Bolinger, for their excellent work over the financial year. The strong results have helped keep Melbourne and Victoria positioned as a premier destination for business events. We look forward to continuing the strong working relationship between MCB and the State Government in the year ahead.

A handwritten signature in black ink that reads "John Eren".

The Hon. John Eren

Minister for Tourism and Major Events
Minister for Sport
Minister for Veterans



CHAIRMAN

Melbourne Convention Bureau delivered another solid performance in financial year 2014/15, securing an estimated \$179 million in economic contribution. We won 31 bids for international and national association conferences. Large international association conferences, collectively with over 22,500 delegates, are expected to deliver around half our economic contribution to the State. This is good news for all our members, the City and the State.

A strong pipeline of conference and incentive events for Melbourne through to 2021 has been secured in a year when the trend of increasing competition for international conference and incentive programs has continued. This increased competition has been highlighted by the growth of conference destinations in Asia, particularly in Singapore and Seoul.

But we have risen to this challenge and MCB continues to have major wins in the health and medical sectors. For example, the International Epidemiological Association conference, to be held in 2020, is expected to attract an estimated 700 delegates and will contribute \$3.9 million to the Victorian economy. Then later, in 2021, the International Congress on Occupational Health will bring an expected 1,000 delegates to Melbourne and contribute \$6.7 million to the economy.

Outside the health sector we also had some big conference wins, one of them being the International Dragon Award Annual Meeting, which will bring just over 4,500 Chinese-speaking insurance specialists to Melbourne in 2017 and make a total contribution of \$20.2 million to the economy.

On the incentive front, this year we secured and hosted the Tupperware Indonesia incentive program, which brought 4,000 delegates to Melbourne in early 2015. It was the single largest Indonesian incentive group ever to travel to Australia.

The \$210 million expansion of Melbourne Convention and Exhibition Centre (MCEC) announced by the State Government in the May 2015 budget was welcomed by the MCB Board and our members. It will assist Melbourne and Victoria maintain our position as the premier destination for business events.

I am proud to be the Chairman of MCB and on behalf of your Board of Directors I would like to thank Karen Bolinger and her passionate and committed team for delivering some excellent results in 2014/15. I would also like to acknowledge the broader industry and government partnerships for their ongoing support provided to MCB. I look forward to our success continuing over the next financial year.

A handwritten signature in black ink, appearing to read 'Chris Barlow', with a stylized flourish at the end.

Chris Barlow

Chairman
Melbourne Convention Bureau



MELBOURNE CONVENTION BUREAU CEO

The 2014/15 financial year has been one of steady achievement for MCB. The year began on a high with the successful delivery of the 20th International AIDS Conference in July 2014, attracting nearly 12,000 delegates from 173 countries and contributing \$85 million to Victoria's economy. Its success was a result of city-wide collaboration and more than two years of planning.

Over the year we delivered more than 200 business events, a 19% increase on the previous year and importantly, a total contribution of \$308 million to the Victorian economy, a 9% increase on the previous year. International association conferences were the key drivers, delivering 59% of the value to the Victorian economy, validating our continued focus on growing this part of our business.

There was a consistent theme during the year of higher than expected delegate materialisation for some of the large conferences and this is reflected in the 4% increase in delegate attendance year on year. The World Cancer Congress held in December 2014 achieved a record attendance of more than 2,600 delegates, 29% greater than expected. The World Geothermal Congress attracted 1,600 delegates, 7% higher than anticipated.

I am particularly proud of the legacies created by the two largest international health conferences, the International AIDS Conference and World Cancer Congress, held over the past 12 months. Their legacies included improved health outcomes for Victorians, policy and legislative change, social improvement for disadvantaged Victorians and increased worldwide recognition of Melbourne's capacity to host events of this scale and calibre.

As part of our focus to gain a deeper understanding of the economic value large international association conferences bring to Victoria, MCB launched the Melbourne Conference Expenditure Study 2015, looking at expenditure by industry sector, a first by any bureau globally. Using a sample of nine recent large international association conferences, we found \$4.9 million on average was generated for the Victorian visitor economy per conference. A key insight is that conference organiser expenditure goes beyond the expected areas of venue hire and catering. Large international conferences also have a positive economic impact on small and medium businesses in sectors as diverse as security, printing, logistics, insurance and legal.

In the last quarter of the financial year we launched a new Partner Program, using member feedback as a key input into the development of the new offering. Our objective is to continue delivering clear benefits and value to this important stakeholder group.

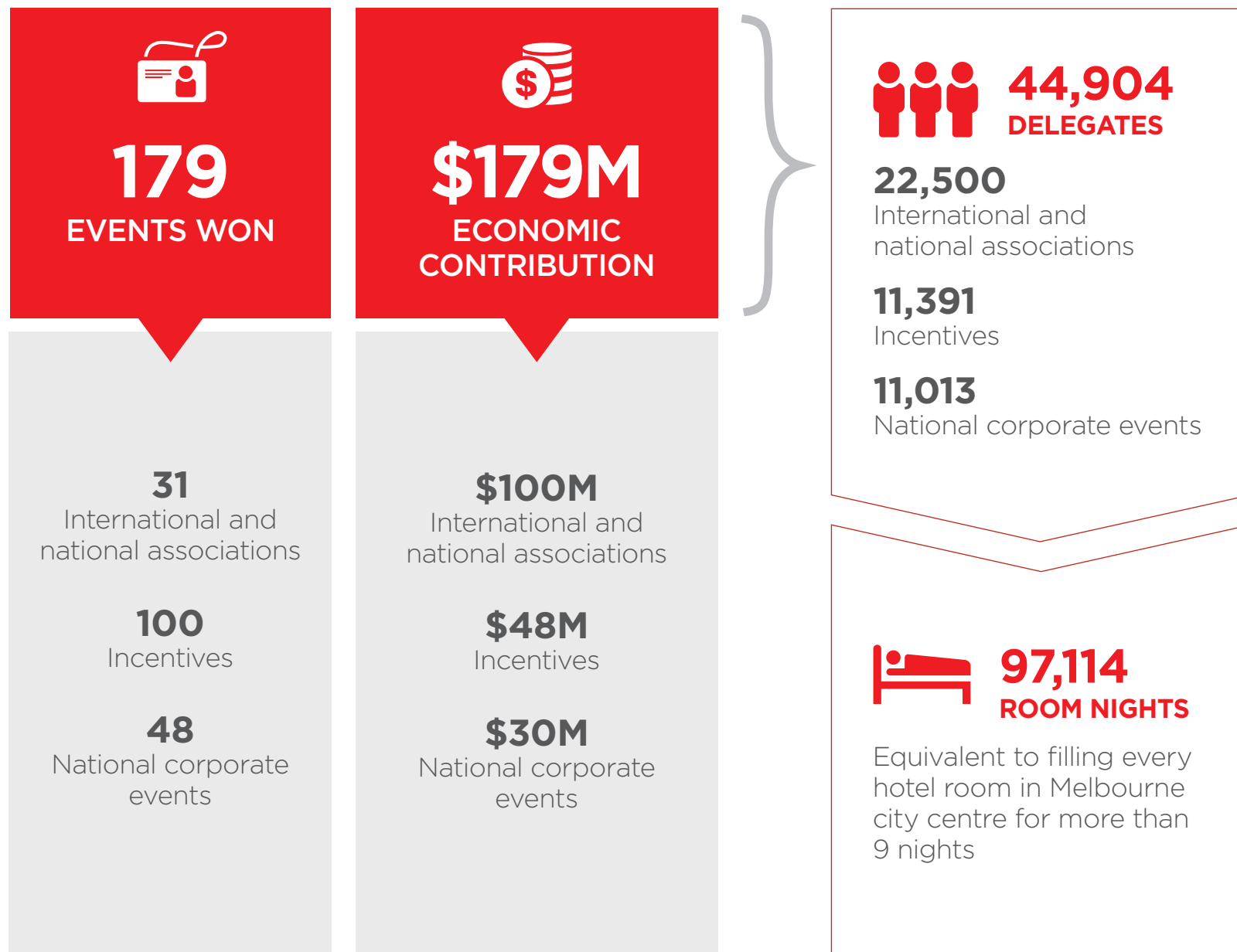
I would like to thank my team at MCB for their ongoing focus and commitment to delivering the business plan goals. I would also like to acknowledge the support we have received throughout the year from the Victorian State Government, City of Melbourne, Melbourne Convention and Exhibition Centre and our industry partners. I look forward to another successful year ahead with 'Team Melbourne'.

A handwritten signature in black ink, appearing to read 'KB for', with a stylized flourish at the end.

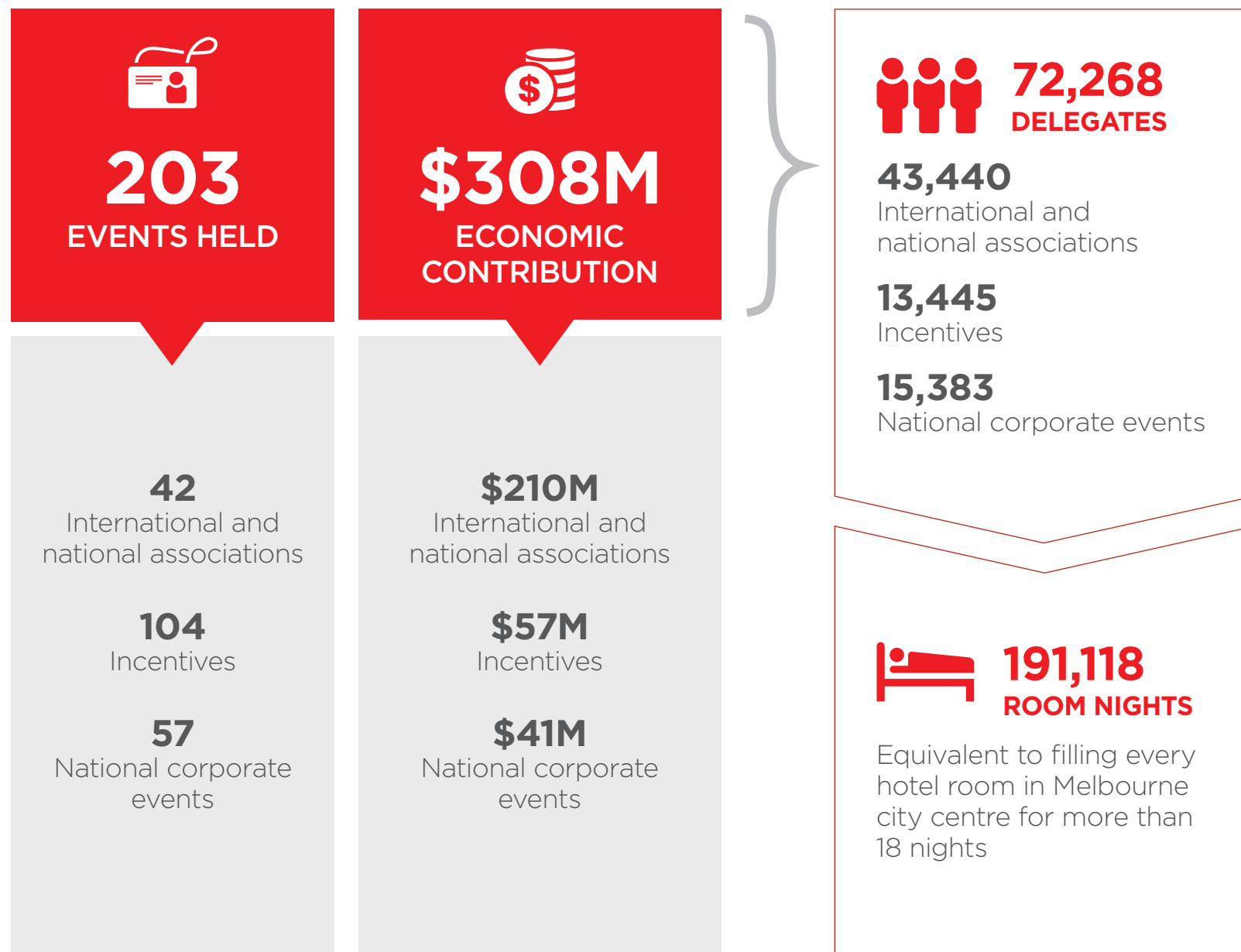
Karen Bolinger

Chief Executive Officer
Melbourne Convention Bureau

EVENTS CONFIRMED THROUGH TO 2021



EVENTS HELD IN 2014/15



MAJOR BUSINESS CONFIRMED IN 2014/15



\$83.4M

ESTIMATED ECONOMIC
CONTRIBUTION



18,250

ESTIMATED DELEGATES

INTERNATIONAL DRAGON
AWARD ANNUAL MEETING 2017



\$20.2M

4,500

TUPPERWARE INDONESIA
INCENTIVE PROGRAM



\$14.7M

4,000

INTERNATIONAL MEDICAL
RESEARCH MEETING
(EMBARGOED)



\$13.5M

3,000

INTERNATIONAL INNER WHEEL
CONVENTION 2018



\$8.4M

1,500

INTERNATIONAL CONGRESS ON
OCCUPATIONAL HEALTH 2021



\$6.7M

1,000

INTERNATIONAL PARTICLE
ACCELERATOR CONFERENCE
2019



\$6M

900

INTERNATIONAL SYMPOSIUM
ON PNEUMOCOCCI AND
PNEUMOCOCCAL DISEASES
2018



\$4.7M

850

13TH ASIAN INTERVENTIONAL
CARDIOVASCULAR
THERAPEUTICS 2017



\$3.4M

1,000

INTERNATIONAL ECOCITY
CONFERENCE 2017



\$3M

1,000

WORLD CONGRESS ON SCIENCE
AND FOOTBALL 2019



\$2.8M

500



MELBOURNE CONVENTION BUREAU

MCB is a sales and economic business development organisation with more than four decades of experience in securing business events for Melbourne and Victoria by working with associations, corporate organisations and event planners from around the world.

MCB is a not-for-profit company jointly funded by the Victorian Government, MCEC, the City of Melbourne and 270-plus tourism industry strategic partners including accommodation and conference venues, professional conference organisers, tour operators, restaurants and retailers. Many of these members are small Victorian businesses, reliant on MCB as their sales and marketing arm and the revenue generated both directly and indirectly from business events.

With staff and representation in five countries – Australia, China, Malaysia, the United Kingdom and United States – MCB's vision is for Melbourne to be recognised as the world's most successful business events destination. These offices are our direct connection to key domestic and global decision makers including associations, agents and corporate clients.

MCB proactively seeks out new international association conference and incentive program opportunities that have potential to be held in Melbourne and regional Victoria. Comprehensive business cases are developed to attract these international events to the State using a collaborative approach with local and international bid hosts as well as strategic partners.

International conferences especially are an effective platform for showcasing Victorian pre-eminence in medical research on the global stage, profiling research infrastructure and organisational capabilities, highlighting policy leadership, facilitating commercial ventures and export potential, and bringing global leaders to Melbourne to develop new networks, share best practice and foster expertise.

MCB also provides meetings and events services for clients who are looking to host a national association or corporate event in Melbourne.

INTERNATIONAL AND NATIONAL ASSOCIATION MARKET

Events confirmed in 2014/15

31 association conferences confirmed

\$100M economic contribution

22,500 expected delegates

Events held in 2014/15

42 association conferences,
33 international

\$210M economic contribution

43,440 delegates

MCB continues to align its business development activities and bid opportunities with the Victorian State Government's priority sectors. Focusing on these key industry and research strengths, MCB has been extremely successful in identifying and recruiting local bid leaders with whom the organisation works to secure conferences for Victoria.

International association conferences are Melbourne's highest yielding sector and will deliver 55% of total economic contribution from business events through to 2021. It is for this reason that MCB continues to focus on attracting this lucrative international business.

Attendance at international association events across a range of sectors was higher than anticipated over the year, with the World Cancer Congress, held in December 2014, achieving a record attendance, bringing together delegates and leaders from 100 countries for knowledge sharing on cancer prevention and global policies.

This was due, in large part, to MCB's delegate boosting work with event organisers to promote conference attendance. Using a range of online and printed collateral, video and social media, MCB promotes Melbourne as an affordable, viable and accessible location to international association members.

MCB worked closely with its clients during the financial year to support delegate boosting activity in key global markets for 30 conferences due to be held in Melbourne between 2015 and 2019. This work ensures the conferences coming into Melbourne are promoted strongly, to drive maximum delegate attendance.



Another highlight in the financial year was the prestigious Young Presidents' Organisation Global Leadership Conference and Global Edge in March 2015, with a strong attendance of 2,479 delegates – 65% greater than expected – and a contribution of \$7.6 million to the Victorian economy. This high profile event showcased Melbourne's capability as a business events destination to an audience of global decision makers and delivered a successful week-long program spread across the city.

To maximise bid opportunities, MCB strengthened its collaboration with MCEC's Club Melbourne Ambassador Program. In 2014/15, Ambassadors assisted with 53% of bid wins, worth an estimated \$50.3 million in economic contribution to Victoria.

It was also a strong year for business development and sales activities in key international markets in the US and Europe. MCB attended IMEX Frankfurt, IMEX USA and EIBTM in Barcelona, whilst also conducting targeted sales activities across Europe and North America.

While MCB's strategic focus is on large international association conferences, we continued to showcase Melbourne and regional Victoria nationally through our Melbourne Meetings + Events Service (MMES), which provides conference, meetings and event planners with free assistance.

MMES assisted with securing 48 events for MCB partners during the financial year, generating more than \$30 million in economic contribution and attracting more than 11,000 delegates. The majority of these events were conferences, meetings and gala dinner events from national associations and corporates. More than 60% of them came from within Victoria and from New South Wales.



SPOTLIGHT ON GLOBAL HEALTH CONFERENCES

Melbourne is recognised worldwide as an innovator and pioneer in the fields of medicine, science, technology, engineering and education. This concentrated pool of knowledge was a major factor in the decisions to award these large international conferences to Melbourne.

MELBOURNE HOSTED 2 OF WORLD'S LARGEST GLOBAL HEALTH CONFERENCES DURING 2014/15

ATTRACTED
14,442
DELEGATES TO MELBOURNE



78% WERE
INTERNATIONAL
DELEGATES



ALMOST **\$90M**
CONTRIBUTION TO
VICTORIA'S ECONOMY

WORLD CANCER CONGRESS IN DECEMBER 2014

Attracting delegates from 100+ countries

20TH INTERNATIONAL AIDS CONFERENCE IN JULY 2014

Attracting delegates from 173 countries

The AIDS conference in particular is the largest health-related conference ever held in Australia.

Part of the successful delivery of the events was creating legacies. These included a range of health, policy and legislative and social outcomes of benefit to Victorians and the wider community, specifically:

AIDS Conference Legacies

- > Changes to the law relating to HIV transmission in Victoria
- > A commitment by all Australian health ministers to the virtual elimination of new HIV transmission by 2020
- > Support for environmental and social projects in Victoria and overseas
- > Assistance for disadvantaged Victorians through support of charities working with the homeless

Cancer Congress Legacy

- > A partnership between the World Health Organisation and the Union for International Cancer Council to prevent and control cervical cancer



(L-R)- MCEC CEO Peter King, Club Melbourne Ambassadors Prof David Hill and Prof Sanchia Aranda, MCB CEO Karen Bolinger and UICC CEO Cary Adams

CORPORATE AND INCENTIVES MARKET

Events confirmed in 2014/15

International incentives

100 events

\$48M economic contribution

11,391 delegates

National corporate

48 events

\$30M economic contribution

11,013 delegates

Events held in 2014/15

International incentives

104 events

\$57M economic contribution

13,445 delegates

National corporate

57 events

\$41M economic contribution

15,383 delegates

Of the 100 incentive events MCB attracted during the year, 86 were from Asia, a 69% increase on the previous 12 months.

This was a result of the Asian offices strengthening their relationships with in-market agents in growth markets such as Indonesia, Malaysia and China. New Zealand is also an important market, providing five incentives worth more than \$4 million in economic contribution during the year.

Overall, short term leads of small to medium sized groups of below 200 continue to contribute to the corporate meetings and incentive market. The sectors providing the majority of incentive programs are direct sales, insurance and healthcare.

During 2014/15, MCB undertook sales activities across Asia, including Singapore, Malaysia, Indonesia, India, China, Taiwan, Hong Kong and South Korea. MCB hosted more than 30 buyers from six countries on familiarisation and site inspection programs. These are a unique opportunity for buyers to experience the destination first-hand.

The Corporate Meetings and Incentive team also participated in key tradeshows and roadshows across the world to engage and connect with meeting and incentive agents with a strong interest in Victoria's incentive products. Events included the Business Events Australia North and South Asia Business Events Showcase, CIBTM, the Australian Tourism Exchange and the India Travel Mission.



SPOTLIGHT ON INCENTIVES TUPPERWARE INDONESIA

FEB-MAR 2015
MELBOURNE HOSTED

THE SINGLE LARGEST
INDONESIAN INCENTIVE GROUP
EVER TO TRAVEL TO AUSTRALIA

4,152
TUPPERWARE
DELEGATES TO MELBOURNE



\$14.7M

CONTRIBUTION TO
VICTORIA'S ECONOMY



DELEGATES PRIMARILY
FEMALES AGED
30-50



12,456
ROOM NIGHTS
ACROSS 14 HOTELS

MCB tailored a unique itinerary to appeal to the specific interests of the group, who were first-time visitors to Melbourne and mainly women aged between 30-50 with a passion for shopping and sightseeing. MCB's ability to easily host a large group was an important factor in the decision to choose Melbourne over other potential Asia Pacific destinations.

The challenges

1. Accommodating all delegates during major events season
2. Delivering a seamless program
3. Flying 4,000 delegates to Melbourne

Our response

1. Negotiating with Tupperware to stagger the program in eight 500-person contingents over eight weeks
2. Taking a collaborative 'Team Melbourne' approach and our commitment to excellence ensured the incentive program met organisers' needs
3. MCB collaborated with key partners the City of Melbourne and Tourism Australia to secure the bid, negotiate visas and facilitate discussions with airlines.



STRATEGIC PARTNERSHIPS

OUR PARTNERS

While bidding for and securing business events for Melbourne is facilitated by MCB, success is driven from a strong partnership of industry stakeholders. Working together with close to 250 partners on a shared vision is critical to attracting and delivering conferences, corporate meetings and incentives and making Victoria one of the world's leading business events destinations.

In June 2015 MCB launched a new tiered partner program that was based on member feedback and has been designed to offer more value through participation in bids and business development activities, involvement with marketing, direct business leads and networking events. There was strong take-up of the new program in the final weeks of the financial year

GOVERNMENT AND INDUSTRY

During the year, MCB continued to be proactive in building relationships with state and local government, industry bodies and higher education institutions. This included specific collaboration with the State Government and the City of Melbourne to align bids with their strategic priorities and policy direction.

This engagement helps educate and inform stakeholders of the positive impact of conferences on the Victorian economy, on employment, investment, trade, research linkages and knowledge industries. Melbourne's strength in the State Government's priority knowledge economy sectors of medical, health, engineering, science, business and a range of new technologies means there is a pool of experts who are willing to act as bid leaders for international association conferences.

In March 2015 the Victorian Government initiated the Victorian Visitor Economy Review, the purpose of which was to identify ways for Victoria to stay competitive and enjoy strong growth across the sector. MCB's submission to the review highlighted the importance of business events as a driver of the State economy, reinforced the importance of MCB's partnerships with industry and highlighted the need for wider engagement with the State Government in order to remain competitive in the international business events arena.





MELBOURNE CONVENTION AND EXHIBITION CENTRE (MCEC)

MCB works closely with MCEC on both the bid process and delivery of conferences and meetings. MCB's primary business development objective is to target key international association markets to generate a strong pipeline of events for MCEC.

The Club Melbourne Ambassador Program, an invitation-only group of Victoria's elite thinkers and leaders, managed by MCEC in conjunction with MCB, is recognised worldwide as being a model program. It plays a vital role in attracting events to Melbourne by leveraging the support and expertise of local hosts. It is a platform for Melbourne's leaders in diverse fields to work together to contribute to Victoria's economic growth and international reputation.



BESTCITIES GLOBAL ALLIANCE

MCB is a founding member of the BestCities Global Alliance, a network of 12 international convention bureaux committed to a quality assured service charter.

The Alliance stands for a promise of quality, expertise and professionalism. Through resource pooling, sharing market intelligence and leveraging the exceptional reputation of its partners, the Alliance continues to build sustainable advantages and ensures world's best practice.



ASIA PACIFIC INCENTIVES AND MEETINGS EXPO (AIME) 2015

488 hosted buyers and media

617 exhibitors

2,574 total visitors

11,134 appointments between exhibitors and hosted buyers

37 countries represented

Almost 500 hosted buyers and media attended the 23rd AIME tradeshow, held from 24-25 February 2015. The Melbourne and regional Victoria destination showcase, wrapped around the trade event, gave Victorian business event providers the opportunity to showcase their product to international and domestic buyers.

More than 30 journalists from national and international trade publications participated in the AIME 2015 media program. Highlights included the AIME and Business Events Week media conference, familiarisations at MCB partner properties and post-touring in regional Victoria.

MCB launched the 2015 Planners' Guide at AIME, receiving positive feedback on the new content initiatives, designed to make it easier to link Melbourne's appeal as a city with unique business event ideas. The Guide is available as a printed piece and on MCB's website.

Towards the end of the financial year, MCB and Reed Travel Exhibitions established an AIME Advisory Board comprising 16 members from a cross-section of experienced buyers, sellers and influencers from the industry. The Advisory Board is tasked with shaping the strategic direction and future vision for AIME, taking account of participant feedback from 2015 to re-engage the target audience with the show and continue to establish AIME as the premier trade show in Asia Pacific. The advisory board's key contributions will help set the program for the 24th AIME in February 2016.



BRAND, MARKETING AND PR

NEW BRAND POSITIONING CAMPAIGN

The financial year saw the launch of MCB's new brand positioning in May 2015, to continue to market and differentiate Melbourne as a world-leading conference, meetings and incentives destination. It takes Melbourne's strengths – intellectual and physical capacity – and adds the emotional and social capacity that leaves visitors with lasting impacts and legacies well beyond an event. It showcases Melbourne as an intriguing, multi-faceted city for business events.

This brand project involved extensive research across key market segments, international associations and corporate and incentive planners and highlighted their desire for a business events destination to provide more than world-class infrastructure and ease of access. The new positioning campaign also captures MCB's ability to facilitate collaboration and deliver real outcomes for organisations.

The Melbourne Effect had a 'soft-launch' at IMEX in Frankfurt in May and will be progressively rolled out across all channels and markets, including activation at key trade shows such as AIME, in the new financial year.

AWARDS

In 2014/15 Melbourne was named Australasia's leading meetings and conference destination at the World Travel Awards for the second year running. This was testament to MCB's success in attracting business events and the collaborative 'Team Melbourne' approach to working with partners city-wide that generates successful outcomes.

MEDIA COVERAGE

During the year, MCB's media strategy continued to focus on greater engagement with mainstream media and with a broader spectrum of international trade media.

MCB received media coverage over the year in international travel trade publications as well as mainstream newspapers, on radio and on television. This coverage helped raise the organisation's profile and keep MCB top of mind with decision makers nationally and in key overseas markets.

MCB issued 14 media releases over the year and received mentions in 87 print and online articles.

Business Events Week in February 2015 was once again a successful platform for gaining greater mainstream media attention and connection with industry, corporate and government audiences.



8 July 2014 - AIDS 2014 coverage Herald Sun

020

DIRECTORS' REPORT



The Directors present their report together with the financial report of Melbourne Convention Bureau Ltd (the “Company”), for the financial year ended 30 June 2015 and the auditor’s report thereon.

1 DIRECTORS

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

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
Christopher Barlow B.Sc. (Honours) Civil Engineering Independent Non-Executive Director	Appointed 27 November 2001. Appointed Chairman 28 November 2007. Chairman Remuneration Committee. Non-Executive Director and Chair of Remuneration Committee – Asciano Group; Chairman Northern Territory Airports (Darwin and Alice Springs). Previously Chief Executive Officer & Managing Director - Australian Pacific Airports Corporation (operators of Melbourne & Launceston Airports); formerly Developmental Director of BAA plc. Chartered Engineer.
Dr Kathy Alexander Ph.D. in Public Health Independent Non-Executive Director	Appointed 3 September 2008 Resigned 15 December 2014 Previously Chief Executive Officer, City of Melbourne. Previously CEO of Women’s and Children’s Health (Royal Children’s Hospital and Royal Women’s Hospital). Has been a member of a number of Boards mainly in health and human service areas.
Kate Brennan Independent Non-Executive Director	Appointed 29 November 2006 Resigned 15 December 2014 Former Risk Committee Chair Previously Chief Executive Officer, Federation Square. Formerly CEO of the Adelaide Festival Trust Centre and previous member of numerous local and national cultural, tourism and development bodies. Currently Deputy Chair of the Executive Board of the Committee for Melbourne, a member of the Australia Council for the Arts’ Major Performing Arts Advisory Panel, the Gold Coast Mayor’s Art Reference Group, an Honorary Fellow at Melbourne University and providing consulting and advisory services to major urban development projects nationally.
Julian Clark Independent Non-Executive Director	Appointed 24 November 2009. Risk Committee Chair CEO – The Lancemore Group (Victorian Hotels - Mansion Hotel & Spa at Werribee Park, Lindenderry at Red Hill, Lindenwarrah at Milawa). Board member of the Victorian Tourism Industry Council (VTIC) chairing its accommodation division and Chairman of the Accommodation Association of Australia (AAoA).
Peter Crinis Independent Non-Executive Director	Appointed 24 November 2010. Remuneration Committee Member from May 2013. Chief Operating Officer – Hotels and Food & Beverage, Crown Melbourne Limited. Board Member, Tourism Victoria; Board Member, Melbourne Food and Wine Festival.

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
Peter King Independent Non-Executive Director	Appointed 31 January 2012 Deputy Chairman. Audit & Finance Committee Member from February 2012. Risk Committee Member from February 2012. Chief Executive - Melbourne Convention and Exhibition Centre. Deputy Chairman, BECA (Business Events Council of Australia) and Board member of EEAA (Events and Exhibition Association of Australasia). Former Chief Executive, Royal Agricultural Society of NSW and former Chief Executive, Sydney Showgrounds.
Julia Langdon B. Com., B. Sc., FCA ANZ. Independent Non-Executive Director	Appointed 9 May 2013 Audit & Finance Committee Chair. Remuneration Committee Member from May 2013. Partner, Advisory - Ernst & Young. Specific experience in risk management.
Sarah Newton Independent Non-Executive Director	Appointed 15 December 2014 Deputy Dean (External Relations), Monash University - Responsible for the strategic management of industry, government, philanthropic and clinical partner relationships for the Faculty of Medicine, Nursing and Health Sciences. Previously Executive Director Research for the Office of the Deputy Vice-Chancellor Research, Monash University, and prior to this as Director of Industry Engagement, Monash University. Alumnus of Monash, Bachelor Arts and Graduate Diploma Education from Monash University, Master of Arts (Organisational Development) from Middlesex University.
Fran Thorn Independent Non-Executive Director	Appointed 31 August 2012 Risk Committee Member from May 2013. Partner - Deloitte. Former Secretary Department of Health, Victoria, Secretary Department of Human Services, Victoria and Secretary Department of Innovation, Industry and Regional Development, Victoria.
Darryl Washington B.Com (Melb), ASA Independent Non-Executive Director	Appointed 15 January 1996. Audit & Finance Committee Member from December 2011. General Manager - Tourism Accommodation Australia (Vic) and AHA (VIC) Accommodation Division; Director and V.P. United Inn-Keeper Association Ltd and co-chair City of Melbourne hospitality advisory & retail board. Former AHA State and National President & Managing Director, United Innkeeper Hotels.
Christopher B Woodruff Independent Non-Executive Director	Appointed 28 November 2007. Previously Managing Director & Chief Executive Officer, Melbourne Airport. Previously Director - Perth Airport, Director - Darwin Airport, CEO - Budapest Airport, Operations Director - Heathrow Airport, Retail Director - Gatwick and Heathrow Airports, Managing Director - World Duty Free Inflight and General Manager - Gatwick North Terminal.

2 COMPANY SECRETARY

Keith Herdman, B. Bus (RMIT) CPA, who has held various management roles in the private sector over the last thirty years, was appointed to the position of Company Secretary on 18 October 2006.

3 DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board of Directors Meetings		Audit and Finance Committee Meetings		Risk Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B	A	B
Christopher Barlow	6	6	1*	1*	-	-	1	1
Dr Kathy Alexander	3	2	1*	1*	-	-	-	-
Kate Brennan	3	3	1*	1*	2	2	-	-
Julian Clark	6	5	-	-	3	2	-	-
Peter Crinis	6	4	-	-	-	-	1	-
Peter King	6	3	4	4	3	3	-	-
Julia Langdon	6	6	4	4	-	-	1	1
Sarah Newton	2	2						
Fran Thorn	6	5	-	-	3	2	-	-
Darryl L Washington	6	5	4	2	-	-	-	-
Christopher Woodruff	6	4	1*	1*	-	-	-	-

A Number of meetings held during the time the Director held office during the year

B Number of meetings attended

* By invitation only

4 ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

5 PRINCIPAL ACTIVITIES

The principal activities of the Company during the year ended 30 June 2015 comprised of business development activities promoting Melbourne as Australia's premier business events destination and the securing of business events for Victoria. These assist in achieving the Company's short term and long term objectives of generating economic wealth for Melbourne and regional Victoria by securing national and international conventions, corporate meetings, exhibitions and incentive travel reward programs. The Company measures its performance by assessing the economic contribution delivered as a direct result of the business secured.

6 OPERATING AND FINANCIAL REVIEW

Revenue from operations for the year ended 30 June 2015 was \$9,049,203 (2014: \$11,439,170). The result for the year ended 30 June 2015 is a surplus of \$100,168 (2014: \$55,216 surplus). A detailed review of Company operations for the year is included in the CEO's report.

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

7 DIVIDENDS

Under the constitution, no dividends are allowed to members of the Company.

8 EVENTS SUBSEQUENT TO REPORTING DATE

On 13 August 2015 the State Government announced actions arising from the Victorian Visitor Economy Review that commenced in March 2015. A new organisation, Visit Victoria, will be established to bring together Tourism Victoria and Victorian Major Events, along with a new conventions division. The results of the announcement and its specific resultant impacts on the Company are currently being considered by the Board and management team, in consultation with the State Government and further announcements will be made as soon as practicable.

9 LIKELY DEVELOPMENTS

Other than the matter described in note 8. above, there are no other likely developments that will have an effect on the Company's operations or the expected results of its operations.

10 INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

(a) Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an Officer or Auditor of the Company.

(b) Insurance premiums

During the financial year the Company has paid insurance premiums totalling \$5,417 (2014: \$5,417) in respect of Directors' and Officers' liability insurance. These insurance premiums related to insurance of Directors and Officers of the Company named in this report, and to former Directors and Officers of the predecessor companies, Melbourne City Marketing Limited and The Melbourne Convention & Tourism Authority. The policies do not specify the premium for individual Directors and Officers.

The Directors' and Officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and resulting payments arising from a liability to persons (other than the Company or a related body corporate) incurred in their position as Director or Executive Officer unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

11 MEMBER'S GUARANTEE

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

At 30 June 2015 the number of members was 245 (2014: 267)

12 LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 27 and forms part of the Directors' Report for the year ended 30 June 2015.

This report is made with a resolution of the Directors:



Christopher Barlow
Director



Peter King
Director

Dated at Melbourne this 25th day of August 2015.

**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE
INCOME FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue	4	8,849,166	11,214,516
Other income		200,037	224,654
Sales and marketing expenses		(7,451,252)	(9,438,411)
Administrative expenses		(1,563,892)	(2,038,242)
Result from operating activities		34,059	(37,483)
Finance income		71,179	98,729
Finance costs		(5,070)	(6,030)
Net finance income	5	66,109	92,699
(Loss)/profit for the year		100,168	55,216
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Total comprehensive income for the year		100,168	55,216

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
Assets			
Cash and cash equivalents	6	3,449,742	4,233,753
Trade and other receivables	7	247,318	223,133
Total current assets		3,697,060	4,456,886
Plant and equipment	8	113,351	226,935
Intangibles assets	9	256,422	330,487
Total non-current assets		369,773	557,422
Total assets		4,066,833	5,014,308
Liabilities			
Trade and other payables	10	1,609,532	2,642,992
Borrowings	11	16,320	15,922
Employee benefits	12	599,928	591,411
Provisions	13	139,426	25,348
Total current liabilities		2,365,206	3,257,673
Borrowings	11	30,985	47,305
Employee benefits	12	43,198	46,315
Provisions	13	-	135,739
Total non-current liabilities		74,183	229,359
Total liabilities		2,439,389	3,487,032
Net assets		1,627,444	1,527,276
Equity			
Retained earnings		1,627,444	1,527,276
Total equity		1,627,444	1,527,276

The notes on pages 27 to 40 are an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY FOR THE
YEAR ENDED 30 JUNE 2015**

	2015 \$	2014 \$
Retained earnings		
Opening balance at 1 July	1,527,276	1,472,060
Total comprehensive income for the year		
Profit for the year	100,168	55,216
Other comprehensive income	-	-
Total comprehensive income for the year	1,627,444	1,527,276
Closing balance at 30 June	1,627,444	1,527,276

**STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Cash received from customers and funding bodies		9,892,994	12,694,766
Cash paid to suppliers and employees		(10,643,453)	(13,060,055)
Cash generated from operations		(750,459)	(365,289)
Interest received		71,179	98,729
Interest paid		(1,382)	(1,7707)
Net cash (used in) operating activities		(680,662)	(268,330)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	710
Acquisitions of plant and equipment		(12,615)	(3,668)
Acquisitions of intangibles		(74,812)	(309,738)
Net cash (used in) investing activities		(87,427)	(312,696)
Cash flows from financing activities			
Finance lease payments		(15,922)	(16,214)
Net cash (used in) financing activities		(15,922)	(16,214)
Net increase in cash and cash equivalents		(784,011)	(597,240)
Cash and cash equivalents at 1 July		4,233,753	4,830,993
Cash and cash equivalents at 30 June	6	3,449,742	4,233,753

The notes on pages 27 to 40 are an integral part of these financial statements.

1 REPORTING ENTITY

Melbourne Convention Bureau Ltd (the 'Company') is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia and is at and for the year ended 30 June 2015. The address of the Company's registered office is level 12, IBM Centre, 60 City Road, Southbank Victoria, Australia. The Company operates in one industry and geographic segment, being the provision of convention and destination marketing for Victoria, Australia.

2 BASIS OF PREPARATION

(a) STATEMENT OF COMPLIANCE

In the opinion of the Directors, the company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting standards – Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements were authorised for issue by the Board of Directors on 25th August 2015. Details of the company's accounting policies, including changes during the year, are included in note 3.

(b) BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis.

(c) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with Australian Accounting Standards – Reduced Disclosure Requirements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

During the reporting period the Company changed the discount rate used in its employee benefit liability calculation from the Australian Government bond rate to the high quality corporate bond rate and applied this change as a change in accounting estimate. The changes that impact the 'employee benefit' liability disclosed in the Company's statement of financial position are not material.

Included in city wide support package expenditure commitment (note 10) is an accrual for the incurred amount of collateral and service delivery obligations in respect of secured events i.e. cash incurred in respect of city wide support package (CWSP) expenditure commitments. The determination of the accrual is based on an estimate using a data pattern of historical reimbursements relating to secured events recorded using a straight line method, which brings the obligation cost for events to account over the period from the date the event is won until the date the event is held.

(e) GOING CONCERN

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

3 SIGNIFICANT ACCOUNTING POLICIES

Except for any changes noted in 3(n), the accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company. Certain comparative amounts have been reclassified to conform with current year's presentation.

(a) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) FINANCIAL INSTRUMENTS (continued)

(i) Non-derivative financial assets – recognition and derecognition

The Company initially recognises receivables and deposits on the date that they are originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

The Company has the following non-derivative financial assets:

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(iii) Non-derivative financial liabilities – recognition and derecognition

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

(iv) Non-derivative financial liabilities – measurement

Other financial liabilities comprise borrowings, bank overdrafts and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(c) PLANT AND EQUIPMENT

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within other income/other expenses in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives in the current and comparative periods are as follows:

	2015	2014
Plant and equipment	3–5 years	3–5 years
Leasehold Improvements	3–7 years	3–7 years
Leased plant	5 years	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) PLANT AND EQUIPMENT (continued)

(iv) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease, or the estimated useful life of the improvement to the Company, whichever is shorter.

(d) INTANGIBLES

(i) Intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for the current and comparative periods are as follows:

	2015	2014
Computer software	2–3 years	2–3 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) LEASED ASSETS

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Company's statement of financial position.

(f) IMPAIRMENT

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy.

Financial assets measured at amortised cost.

Loans and receivables

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) IMPAIRMENT (continued)

(ii) Non-financial assets (continued)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) EMPLOYEE BENEFITS

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payment is available.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations.

Remeasurements are recognised in profit or loss in the period in which they arise.

(iii) Short term benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(h) PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(i) REVENUE

(i) Government grants

Grants made by the State Government are recognised as revenue when the Company gains control of the contribution, or where conditions are attached to the grants, when the conditions are satisfied.

(ii) Membership contributions and industry co-operative revenue

Membership contributions and income from co-operative projects are recognised when received or due and receivable, except where received in respect of the following financial year.

(iii) Advertising sales revenue

Advertising revenue is recognised when received or receivable.

(iv) In-kind contributions

In-kind contributions that are non-reciprocal transfers to the Company are recognised at their fair value as income and expenditure when received.

(j) LEASE PAYMENTS

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on finance leases and the financial effect of unwinding of the make good provision. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(l) INCOME TAX

No income tax expense is charged and no income tax is payable by the Company as the Australian Taxation Office has granted the Company an exemption from income tax.

(m) GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) NEW STANDARDS AND INTERPRETATIONS

(i) Change in accounting policies

The Company has consistently applied the accounting policies set out in note 3 to all periods presented in these financial statements.

(ii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets.

AASB 9 (2013) introduces new requirements for hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2017. The effective date is subject to review pending the finalisation of the outstanding phases of the standard. However, early adoption is permitted.

The adoption of this standard is not expected to have a material impact on the Company's financial assets and financial liabilities.

4 REVENUE

	2015 \$	2014 \$
State Government funding – MCET ¹	1,500,000	6,047,563
State Government funding – DSDBI ²	4,025,000	1,600,000
City of Melbourne funding	700,000	410,000
Industry co-operative revenue	1,258,368	1,451,632
Member revenue	971,243	1,020,986
Advertising sales revenue	251,745	267,876
In-kind co-operative revenue	142,810	416,459
	8,849,166	11,214,516

¹ MCET – Melbourne Convention and Exhibition Trust

² DSDBI – Department of State Development, Business and Innovation

5 FINANCE INCOME AND FINANCE COSTS

	2015 \$	2014 \$
Interest income on bank deposits	71,179	98,729
Finance income	71,179	98,729
Interest expense on financial liabilities	(5,070)	(6,030)
Finance costs	(5,070)	(6,030)
Net finance income	66,109	92,699

6 CASH AND CASH EQUIVALENTS

	2015 \$	2014 \$
Bank balances	3,445,780	4,229,287
Cash on hand	3,962	4,466
Cash and cash equivalents in the statement of cash flows	3,449,742	4,233,753

7 TRADE AND OTHER RECEIVABLES

	2015 \$	2014 \$
Trade receivables	125,714	97,351
Other receivables and prepayments	121,604	125,782
	247,318	223,133

Impairment losses

The movement in the allowance for impairment in respect of receivables during the year was as follows:

	2015 \$	2014 \$
Balance at 1 July	31,792	13,650
Impairment loss (derecognised)/recognised	(8,645)	18,142
Balance at 30 June	23,147	31,792

The allowance accounts in respect of receivables are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly.

8 PLANT AND EQUIPMENT

	Leasehold Improvements \$	Plant and Equipment \$	Leased Plant \$	Total \$
Cost				
Balance at 1 July 2013	432,712	584,914	81,312	1,098,938
Acquisitions	-	3,668	-	3,668
Disposals	-	-	-	-
Balance at 30 June 2014	432,712	588,582	81,312	1,102,606
Balance at 1 July 2014	432,712	588,582	81,312	1,102,606
Acquisitions	-	12,615	-	12,615
Disposals	-	(5,119)	-	(5,119)
Balance at 30 June 2015	432,712	596,078	81,312	1,110,102
Depreciation and amortisation				
Balance at 1 July 2013	249,023	493,700	2,711	745,434
Depreciation	72,959	43,681	13,597	130,237
Disposals	-	-	-	-
Balance at 30 June 2014	321,982	537,381	16,308	875,671
Balance at 1 July 2014	321,982	537,381	16,308	875,671
Depreciation	74,743	35,194	16,262	126,199
Disposals	-	(5,119)	-	(5,119)
Balance at 30 June 2015	396,725	567,456	32,570	996,751
Carrying amounts				
At 1 July 2013	183,689	91,214	78,601	353,504
At 30 June 2014	110,730	51,201	65,004	226,935
At 1 July 2014	110,730	51,201	65,004	226,935
At 30 June 2015	35,987	28,622	48,742	113,351

9 INTANGIBLE ASSETS

	Computer Software	Under Construction	Total
	\$	\$	\$
Cost			
Balance at 1 July 2013	108,719	56,841	165,560
Acquisitions	309,738	-	309,738
Disposals/transfers	21,774	(21,774)	-
Balance at 30 June 2014	440,231	35,067	475,298
Balance at 1 July 2014	440,231	35,067	475,298
Acquisitions	50,979	23,833	74,812
Disposals/transfers	52,600	(52,600)	-
Balance at 30 June 2015	543,810	6,300	550,110
Depreciation and amortisation			
Balance at 1 July 2013	82,587	-	82,587
Amortisation	62,224	-	62,224
Disposals	-	-	-
Balance at 30 June 2014	144,811	-	144,811
Balance at 1 July 2014	144,811	-	144,811
Amortisation	148,877	-	148,877
Disposals	-	-	-
Balance at 30 June 2015	293,688	-	293,688
Carrying amounts			
At 1 July 2013	26,132	56,841	82,973
At 30 June 2014	295,420	35,067	330,487
At 1 July 2014	295,420	35,067	330,487
At 30 June 2015	250,122	6,300	256,422

10 TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade payables		
Trade payables	154,567	96,819
Income in advance	84,548	30,297
Other payables and accrued expenses	513,843	513,286
City Wide Support Package expenditure commitment	856,574	1,984,590
	1,609,532	2,624,992

11 BORROWINGS

	2015 \$	2014 \$
Current liabilities		
Current portion of finance lease liabilities	16,320	15,922
	16,320	15,922
Non-current liabilities		
Finance lease liabilities	30,985	47,305
	30,985	47,305
	47,305	63,227

Finance lease liabilities

Finance lease liabilities of the Company are payable as follows:

	Future minimum lease payments 2015 \$	Future minimum lease payments 2014 \$
Less than one year	16,320	15,922
Between one and five years	30,985	47,305
More than five years	-	-
	47,305	63,227

12 EMPLOYEE BENEFITS

	2015 \$	2014 \$
Current		
Liability for annual leave	232,644	223,649
Liability for long service leave	152,228	117,327
Accrued superannuation	43,894	68,383
Employee bonus liability	171,162	182,052
	599,928	591,411
Non-current		
Liability for long service leave	43,198	46,315
	43,198	46,315
	643,126	637,726

The Company does not make any contributions to defined benefits plans.

Defined contribution superannuation plans

The Company has paid contributions of \$292,987 to defined contribution superannuation plans on behalf of employees for the year ended 30 June 2015 (2014: \$351,323).

13 PROVISIONS

	Lease Incentive \$	Leasehold Make Good \$	Total \$
Balance at 1 July 2014	38,173	122,914	161,087
Provisions made during the period	-	-	-
Provisions used during the period	(25,348)	-	(25,348)
Provisions reversed during the period	-	-	-
Unwind of discount	-	3,687	3,687
Balance at 30 June 2015	12,825	126,601	139,426
Current	12,825	126,601	139,426
Non-current	-	-	-
	12,825	126,601	139,426

Leasehold Make Good

A provision of \$126,601 is recorded at 30 June 2015 in respect of the company's obligation to make good its IBM Centre leasehold premises upon completion of the current lease on 30 December 2015. In accordance with note 3(c) (i), leasehold make good costs relating to the restoration of leased premises incurred upon installation of leasehold assets are recognised as part of the cost of leasehold assets.

Lease Incentive

A provision for lease incentives is recognised in accordance with note 3(j).

14 OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2014 \$	2014 \$
Less than one year	175,580	347,301
Between one and five years	-	175,580
More than five years	-	-
	175,580	522,881

The Company leases office premises in Southbank, Melbourne on commercial terms; this lease expires in December 2015. Lease payments are increased by 4% each year. The Company is currently considering options that include renewing a lease of existing premises as well as sourcing alternative premises.

During the year \$246,043 was recognised as an expense in profit or loss in respect of operating leases (2014: \$245,644).

15 CONTINGENT LIABILITIES

Expenditure commitments

The Company has commitments of \$1,264,804 (2014: \$1,636,988) for collateral and services delivery for fifty four (2014 *fifty eight*) events taking place in the next seven (2014: *eight*) years. These commitments for support of events have been made by the Company as part of proposals to secure the events and are contingent on the bid for the event being won. These do not include any funding commitments made directly by the State Government to support major business events.

16 RELATED PARTIES

(a) Key management personnel compensation

The key management personnel compensation was \$994,408 for the year ended 30 June 2015 (2014: \$1,277,683). Key management personnel compensation includes the payment of Director's Fees to Christopher Barlow of \$40,075 (2014: \$39,987).

(b) Key management personnel transactions

A number of key management personnel held positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Company in the reporting period. The terms and conditions of these transactions with the other related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

16. RELATED PARTIES (CONTINUED)

The aggregate value of transaction and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Note	Transaction value year ended 30 June		Balance outstanding as at 30 June	
			2015 \$	2014 \$	2015 \$	2014 \$
Key Management person related parties	Transaction					
Mr. P. King – Melbourne Convention and Exhibition Trust	Revenue – MCET funding	(i)	1,500,000	6,047,563	-	-
	Revenue – member, advertising, sales and marketing		126,184	150,199	10,954	3,384
	Expenditure – sales and marketing		27,960	41,038	-	-
Dr. K. Alexander - City of Melbourne	Revenue – City of Melbourne funding	(ii)	700,000	410,000	-	-
	Revenue – sales and marketing		5,000	20,060	-	-
	Expenditure – sales and marketing		5,000	-	-	-
Ms. K. Brennan – Federation Square	Revenue – member and marketing	(iii)	3,068	7,468	-	-
	Expenditure – sales and marketing			-	-	-
Mr. P. Crinis – Crown Melbourne Limited	Revenue – member and advertising sales	(iv)	171,996	185,683	82,029	22,339
	Expenditure – sales and marketing		30,664	88,65	-	-
Mr. J. Clark – The Lancemore Group	Revenue - member and advertising sales	(v)	1,573	1,427	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. D. Washington - Australian Hotels Association	Revenue – member sales	(vi)	1,573	1,427	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. C. Woodruff - Australian Pacific Airports Corporation	Revenue – member sales	(vii)	22,727	20,455	-	2,643

16. RELATED PARTIES (CONTINUED)**(b) Key management personnel transactions (continued)**

- (i) The Company established a one year contract commencing 1 July 2015 with Melbourne Convention and Exhibition Trust (MCET) for the provision of funding to the Company to conduct international sales and marketing activities on behalf of MCET. Mr Peter King is the Chief Executive of MCET. The total contract value is \$1,500,000. In addition the Company has paid MCET for sales and marketing activities.
- (ii) The Company established a one year contract commencing 1 July 2014 with City of Melbourne for the provision of funding to the Company to bid for major international conferences to be held at Melbourne Convention and Exhibition Centre. Dr. K. Alexander was the Chief Executive Officer of the City of Melbourne. The total contract value was \$700,000. In addition the Company has paid City of Melbourne for sales and marketing activities.
- (iii) Federation Square pays the standard membership fee. Ms K. Brennan was the Chief Executive Officer of Federation Square.
- (iv) Crown Limited pays the standard membership fee for strategic partner. Mr P Crinis is Chief Operating Officer – Hotels and Food & Beverage for Crown Melbourne Limited. In addition the Company has paid Crown Limited for sales and marketing activities.
- (v) The Lancemore Group pays the standard membership fee. Mr. J Clark is CEO of The Lancemore Group.
- (vi) Australian Hotels Association pays the standard membership fee. Mr D Washington is General Manager – Tourism Accommodation Australia (Vic) and AHA (VIC) Accommodation Division.
- (vii) Australian Pacific Airports Corporation pays the standard membership fee for major partners. Mr. C. Woodruff was the Chief Executive Officer and Managing Director of Australian Pacific Airports Corporation.

Amounts receivable from and payable to other related parties at reporting date arising from these transactions were as follows:

	2014 \$	2014 \$
Current receivables		
Trade debtors	92,983	28,366
Less: Impairment loss	-	-
	92,983	28,366
Current Payables		
Trade creditors	-	-
Less: Impairment loss	-	-
	-	-

17 EVENTS SUBSEQUENT TO REPORTING DATE

On 13 August 2015 the State Government announced actions arising from the Victorian Visitor Economy Review that commenced in March 2015. A new organisation, Visit Victoria, will be established to bring together Tourism Victoria and Victorian major Events, along with a new conventions division. The results of the announcement and its specific resultant impacts on the Company are currently being considered by the Board and management team, in consultation with the State Government and further announcements will be made as soon as practicable. The anticipated changes have no impact on the 2015 annual financial statements and it is impracticable to determine the financial effect on the Company's future financial statements at the date of issuance of these financial statements.

DIRECTORS' DECLARATION

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

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes, set out on pages 25 to 40, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 25th day of August 2015.



Christopher Barlow
Director



Peter King
Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Melbourne Convention Bureau Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

T. Batsakis

Tony Batsakis
Partner

Melbourne

25 August 2015



Independent auditor's report to the members of Melbourne Convention Bureau Ltd

Report on the financial report

We have audited the accompanying financial report of Melbourne Convention Bureau Ltd (the Company), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit 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 procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards – Reduced Disclosure Requirements, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion the financial report of Melbourne Convention Bureau Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Tony Batsakis'.

Tony Batsakis
Partner

Melbourne

25 August 2015

