



# ANNUAL REPORT

# 2010



**melbourne**  
convention + visitors bureau









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## MELBOURNE CONVENTION + VISITORS BUREAU'S STRATEGIC PARTNERS



## MINISTER'S MESSAGE



“

It is through strong Victorian Government support, state of the art infrastructure, a world class events calendar and our reputation for hosting successful events, that we have positioned the State to respond positively as the market rebounds.

”

Despite challenging economic conditions and increased competition on the global stage, Victoria continues to attract major international business events.

It is through strong Victorian Government support, state of the art infrastructure, a world class events calendar and our reputation for hosting successful events, that we have positioned the State to respond positively as the market rebounds.

The new Melbourne Convention Centre is recording strong business event bookings. More than 80 international business events have now been secured by the Melbourne Convention + Visitors Bureau (MCVB) which will bring almost 140,000 delegates to Victoria. Earlier this year, the Victorian Government announced \$17.7 million to allow for future expansion of the adjoining Melbourne Exhibition Centre, to further capitalise on this high yielding sector.

With research by the MCVB showing that international convention delegates spend on average five to six times more than international leisure tourists; this translates into strong economic opportunities for the State.

In addition to the Melbourne Convention Centre, commercial confidence in Victoria's business events sector was demonstrated in February 2010 through the opening of the \$33 million Crown Conference Centre in Southbank.

The Crown Conference Centre joins new and refurbished hotels in Melbourne such as the Hilton Melbourne South Wharf, Intercontinental Melbourne the Rialto and the Grand Hyatt Melbourne in cementing our reputation for quality venues and accommodation for business events.

Business events in regional Victoria are also experiencing growth and will be boosted by a \$1 million funding injection to attract more conferences and conference delegates to regional Victoria as part of the State Government's Ready for Tomorrow – A Blueprint for Regional and Rural Victoria. Victoria's regions all offer fantastic conference and events facilities, great food and wine and lots of activities for delegates to enjoy as part of their event.

This is an exciting time for the business events industry and the State Government is pleased to continue working in partnership with the Melbourne Convention + Visitors Bureau to develop our vital business events sector.

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

**Tim Holding MP**

Minister for Tourism & Major Events

# CHAIRMAN'S REPORT

The 2009/10 Financial Year delivered strong results for MCVB, with significant bid wins, an impressive strike rate and an increased focus on Government partnerships furthering Melbourne and Victoria's reputation as a leading Business Events destination.

Despite the impact of the Global Financial Crisis, which hit many of the key Association markets such as Europe and the United States the hardest, I am pleased to report strong sales results by MCVB in FY09/10.

With a highly impressive strike rate, which saw MCVB secure 77% of the convention business it bid for, the Bureau secured Business Events expected to inject more than \$269 million into Victoria's economy and attract 71,891 delegates to Melbourne and Victoria over the next five years.

Wins ranged from the International Congress of Aviation and Space Medicine 2012, to the 63rd Annual DPI/NGO Conference 2010 (marking only the third time this event has been held outside of the UN's New York headquarters), confirming the diversity of Melbourne's appeal to a wide range of international interest groups and Associations.

Securing such Business Events for Victoria relies not just on the impressive Business Event acquisition skills of the MCVB Team, but also on the industry and Government partnerships which strengthen Melbourne and Victoria's international reach and appeal.

To this end, I am pleased to report the inception of a new Convention Servicing & Government Partnerships Team – a major initiative for FY09/10.

With increased resources, including two new roles, the Convention Servicing & Government Partnerships Team focused on delegate boosting initiatives, and on securing financial and logistical support for new Business Events through the Citywide Support Package (CWSP)<sup>#</sup>.

Other Government Partnership initiatives saw MCVB work with the City of Melbourne on delegate studies and new delegate-focused promotional collateral materials, and with the State Government on advertising campaigns; the Premier of Victoria and the Minister for Innovation featured in MCVB's television campaign on the Australia Network reaching six million viewers in 44 countries.

The value and scope of MCVB's work, as well as its achievements and innovations, were again recognised by the industry in FY09/10, with MCVB awarded 'Metropolitan Destination Marketing Organisation' at the National Meetings & Events Australia (MEA) Awards.

MCVB was also awarded at a State level, taking out the CSR award at the Victorian MEA Awards, and the 'Meetings and Business Tourism' award at the 2009 Melbourne Airport Victorian Tourism Awards.

MCVB, along with REED Travel Exhibitions, was also awarded 'Exhibition of the Year' for the Asia-Pacific Incentives & Meetings Expo (AIME) at the National MEA Awards.

MCVB's work continues to grow Melbourne and Victoria's share of the most lucrative sector of the tourism industry, generating new and repeat business, spurring infrastructure development and generating jobs for Victoria.

On behalf of the Board, I take this opportunity to congratulate MCVB's CEO, Sandra Chipchase, on leading the team to generate another year of strong business results for MCVB's members, the Business Events industry and the Victorian economy.



**Chris Barlow**  
Chairman



“

Securing Business Events for Victoria relies not just on MCVB's impressive Business Events acquisition skills, but also on the industry and Government partnerships which strengthen Melbourne and Victoria's international reach and appeal.

”

<sup>#</sup> NB Due to new International Accounting Standards, the Financial Statements note contingent liability for CWSP funds (refer note 19). However, these funds have been allocated for activities occurring in future years.



FOR THE YEAR ENDED 30 JUNE 2010

## CEO'S REPORT

The 2009/10 Financial Year was one of the most challenging in the Bureau's history. In an atmosphere of uncertainty and, for many nations, economic turmoil, MCVB with the support of Government, strategic partners and our members, continued our track record of success in securing Business Events for Victoria.

MCVB won 47 conventions during the year and achieved record results in national convention sales. Although the corporate incentive market was greatly impacted by the Global Financial Crisis, MCVB secured corporate events worth \$16.3 million for Melbourne.

In response to the challenging times, MCVB focused on developing new markets, improving business processes, delivering value and creating innovation.

MCVB delivered the world's first online delegate boosting tool. With the support of our Professional Conference Organiser partners, the tool is now assisting in not only driving delegate numbers, but in securing new business.

We also commenced several buyer research projects aimed at providing first-class market intelligence to capitalise on the incredible economic growth of India and China.

MCVB initiated several market development and sales activities, not only raising Melbourne's profile in-market but generating requests for incentive travel proposals from corporate groups to bring their top achievers to Melbourne.

In 2009/10 MCVB showcased members' products and services through a record number of familiarisations and site inspections. We hosted more than 100 buyers, decision makers and media from around the world. More than 224 Hosted Buyers and media were also hosted at AIME.

MCVB is committed to increasing the profile of regional Victoria for Business Events - a record 14 AIME pre-tours were held in regional Victoria for more than 197 Hosted Buyers and media from 29 countries this year.

MCVB also embarked on a regional Victoria Business Events marketing program in conjunction with Tourism Victoria, Business Events Victoria and Business Events Australia.

The program included researching Professional Conference Organisers' perceptions of regional Victoria and creating marketing and PR initiatives to further promote Victoria's Business Events capabilities and appeal.

MCVB also undertook new marketing activities including creating two television commercials promoting Melbourne as a leading convention and incentive destination. Featured on the Australia TV Network, the campaign covered 44 countries across Asia, the Pacific and India reaching more than six million viewers.

Through new national marketing initiatives, MCVB also increased the number of leads for our members, generating strong business through our Melbourne Meetings + Events Service.

MCVB's efforts were recognised and rewarded through several channels, including the National Meetings & Events Australia Awards, where we received the 'Metropolitan Destination Marketing Organisation' award.

In closing, I wish to acknowledge the hard work and achievements of MCVB staff and representatives throughout the world. I also thank MCVB's members, strategic and Government partners and the MCVB Board for their outstanding, ongoing support.

I look forward to the new financial year with great enthusiasm as the MCVB Team continues the focus on delivering continued success, achievement and innovation to deliver high yield Business Events for Melbourne and regional Victoria.

**Sandra Chipchase**

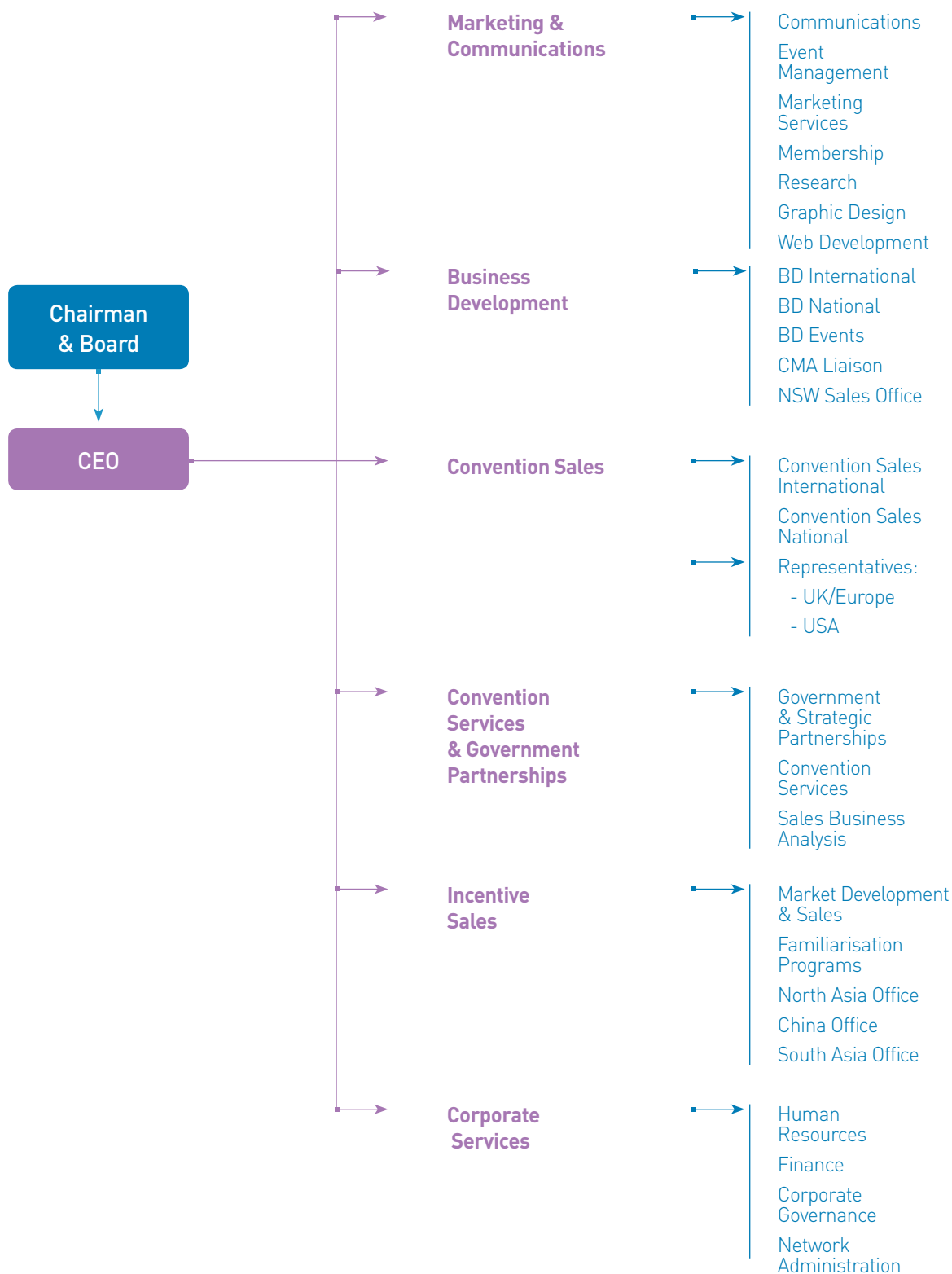
Chief Executive Officer

“

Innovation was key to our success this year and several new research projects providing first-class market intelligence will deliver commercial advantage in our investment and marketing decisions.

”

# ORGANISATION CHART





# THE YEAR IN FOCUS

## \$269m

ECONOMIC IMPACT OF BUSINESS  
EVENTS SECURED BY MCVB IN FY09/10

## ▲ 41%

INCREASE IN INTERNATIONAL  
HANDOVERS (BUSINESS DEVELOPMENT  
TO SALES TEAM)

## \$4.6m

VALUE OF MCVB MEDIA COVERAGE  
GENERATED IN FY09/10





# THE YEAR IN FOCUS

## HIGHLIGHTS AND ACHIEVEMENTS

**Significant bid wins** - Key international wins for 2009/10 included the 35th Congress of the Societe Internationale d'Urologie 2015, 4,000 delegates, generating \$10.8 million in economic impact, and the Healthcare Information and Management Systems Society (HIMSS) Asia-Pacific Conference and Exhibition 2011, 2,000 delegates, generating an economic impact of \$8 million.

**Strike rate success** - MCVB achieved a 77% success rate for convention bids, and an 87% success rate for all incentive travel bids.

**Awarded Australia's best** - MCVB was awarded the 'Metropolitan Destination Marketing Organisation' award at the prestigious National Meetings & Events Australia (MEA) awards. The National MEA awards also saw MCVB, with event partner REED Travel Exhibitions, awarded 'Exhibition of the Year' for AIME 2009, whilst at the State MEA awards, MCVB was awarded for its CSR initiatives. MCVB was also awarded the 'Meetings and Business Tourism' award at the 2009 Melbourne Airport Victorian Tourism Awards.

**Increased opportunities identified** - International handovers (from MCVB's Business Development Team to the Convention Sales Team) were up 41% on FY08/09.

**National sales success** - Following a major database cleansing and lead generation project, 200 new national Business Events leads were generated in FY09/10, assisting in generating record national Business Events for Victoria.

**Generating business for members** - The number of referrals generated by MCVB's Melbourne Meetings + Events Service for members increased by 21% in FY09/10, generating \$22 million (up 29%) in national, corporate and Association and Government business for Victoria.

**PR** - MCVB generated \$4.6 million worth of coverage for Melbourne and regional Victoria internationally, 240% above target.

**Trade show success** - MCVB's annual trade show, AIME, continues to grow in size and importance; in 2010 it attracted 195 new exhibitors, and generated business valued at more than US\$859 million (up 32% from 2009).

## INNOVATION

**Online Delegate Boosting Tool** - MCVB, with digital partner, IE, has created a world-first online tool to maximise delegate numbers attending conventions in Melbourne.

Delegates select from a list of experiences available in Melbourne and Victoria and are then presented with a customised video vignette capturing their personally chosen 'My Melbourne' experience.

**Australia Network TVC** - MCVB created two television commercials featuring the Premier, the Hon. John Brumby MP, and the Minister for Innovation, the Hon. Gavin Jennings MP, promoting Melbourne and Victoria as a leading convention and incentive destination. The campaign covered 44 countries reaching more than six million viewers.

**'Beyond Tourism' Study** - In FY09/10, MCVB commenced phase two of its long term study of the widespread benefits of Business Events.

Understood to be the first study of its kind in the world, it will assist industry and Government to understand and track the additional benefits these events have in driving export dollars, education, business migration and innovation.



MCVB's Asia Roadshow partners, Kuala Lumpur

**GPS Tracking Study** - In FY09/10, MCVB worked with the City of Melbourne and university consultants to conduct a GPS Tracking Study using new technology captured via Google Earth and digital photography to track delegates' movements around the city.

The study will identify movement patterns and barriers to movement, which will greatly assist in improving the delegate visitor experience.

## Regional Victoria Business Events

**Research Project** - A partnership between Business Events Australia, Tourism Victoria, MCVB and Business Events Victoria, this project aims to better understand perceptions towards holding Business Events in regional Victoria. Research findings will assist with new marketing initiatives.

**Accompanying Persons Survey** - MCVB's independent 'Melbourne Convention Delegates Study' found that more than one third of delegates bring an accompanying person to Victoria.

As a result, in FY09/10 MCVB became Australia's first CVB to survey accompanying persons to discover how they source destination information, how far in advance they do this and how much influence they have on a delegate's decision to attend a Business Event. This information will assist MCVB in increasing delegate numbers.



AIME pre-tour, Great Ocean Road

# THE YEAR IN FOCUS



AIME Welcome Reception, Goods Shed South



Incentive familiarisation - celebrity chef, Mark Olive



Delegates enjoy the AIME Welcome Reception



Dreamtime familiarisation

## CSR AND SUSTAINABILITY

**Event Carbon Calculator** - Officially launched in August 2009, MCVB's online event carbon calculator, powered by the Carbon Reduction Institute, allows Event Organisers to calculate the carbon emissions of events held in Melbourne or Victoria and offers advice on offsetting these. In FY09/10, the website was visited by viewers in 51 countries.

### Melbourne's 'Green Credentials' Report -

This Report, launched in 2008, is an Australian Bureau first and identifies Business Events suppliers' green initiatives.

The 2010 edition of the Report saw a 20% increase in participating businesses, with major improvements including an increase in the number of audits conducted and environmental plans developed (up 18%), an increase in the creation of 'green teams' dedicated to guiding initiatives (up 17%), and an increase in the number of businesses offsetting their own carbon emissions or offering carbon offset opportunities to their clients (up 12%).

**Setting environmental benchmarks for events** - MCVB runs its events in Australia (including AIME) and abroad (namely MCVB's Asia Roadshow) as low carbon impact events, working with certified companies, such as Climate Friendly, to offset carbon emissions.

**Carbon footprint KPIs** - MCVB records its paper and electricity usage, and provides carbon footprint updates at monthly staff meetings. All office waste is separated into organic, recyclable and rubbish waste, reducing the amount of landfill the organisation generates. MCVB's office renovation in FY09/10 involved the removal of demolition material, with 100% of the glass, plasterboard and aluminium removed recycled.

**CSR Donation Program** - MCVB offers its guest speakers and clients the option of donating to a Victorian charity of their choice in recognition of their contribution to MCVB.

As an example, the guest speaker at MCVB's 2009 AGM, Li Cunxin, author of *Mao's Last Dancer*, selected the Victorian Cancer Council as his beneficiary.

MCVB also donates its own staff presenter contributions to charity, for example Ernst & Young donated speaker funds to Berry Street Children's Charity for a presentation delivered to them by MCVB's CEO, Sandra Chipchase, in FY09/10.

**Supporting industry events** - In FY09/10, MCVB supported and sponsored a number of targeted industry and Association-related events, benefiting the local community, as well as increasing MCVB's profile among target groups (such as leading medical and scientific luminaries).

In FY09/10, events included the 'Future Directions for Collaborative Mental Health Care - Innovation Summit' and the Banksia Environmental Awards.

**Supporting charities** - MCVB continues to support Berry Street Children's Charity through monthly casual clothes days and the annual Wishing Tree Christmas Gift Appeal.

In FY09/10, MCVB also supported the Brotherhood of St Laurence by donating superfluous items following its office refurbishment, as well as Wildlife Victoria, donating surplus stationery. MCVB also supported Just a Drop's 'Just Help Haiti' appeal, by working with REED Travel Exhibitions to raise money during AIME.



# SALES

## \$269m

ECONOMIC IMPACT OF BUSINESS EVENTS  
SECURED BY MCVB

## 77%

PERCENTAGE OF CONVENTION BUSINESS  
EVENTS MCVB BID FOR AND WON

## ▲ 90%

INCREASE IN NUMBER OF INCENTIVE AND  
CORPORATE SALES BUSINESS EVENTS SECURED





## SALES

**FY09/10 saw a strong year for MCVB across all sales functions. MCVB secured 47 national and international Association conventions, national sales generated record results and the number of incentive events secured increased by 90%.**

Sales activity in FY09/10 secured Business Events projected to attract 71,891 delegates to Melbourne and Victoria, injecting \$269 million into the State economy.

Sales calls, client site inspections, corporate familiarisations and attendance at trade shows throughout the world contributed to MCVB's impressive strike rate of securing 77% of international and national convention bids which were announced in FY09/10 (up 18% from FY08/09).

### BIDDING FOR BUSINESS EVENTS

Wins secured by MCVB in FY09/10 ranged from the International Congress of Aviation and Space Medicine 2012, to the 63rd Annual DPI/NGO Conference 2010, confirming the diversity of Melbourne's appeal to a wide range of international interest groups and Associations.

Highlight wins included the 35th Congress of the Societe Internationale d'Urologie 2015, expected to attract 4,000 delegates and generate an economic impact of \$10.8 million, and the Healthcare Information and Management Systems Society (HIMSS) Asia-Pacific Conference and Exhibition 2011, expected to attract 2,000 delegates and generate \$8 million for the State economy.

As at 30 June 2010, MCVB had secured 80 international Business Events for the new Melbourne Convention Centre (which opened in June 2009), representing an anticipated 138,825 delegates and generating an economic impact of \$754.9 million.

### SALES CALLS AND EVENTS

This year, MCVB's representatives undertook seven sales missions in the UK/Europe, generating 74 new leads, and 14 sales missions were held throughout the USA, generating 70 new leads.

MCVB also partners with Victorian Government bodies to stage events internationally to promote Victoria's fields of excellence and to generate leads.

A highlight event in FY09/10 included a 'Think Melbourne Think Victoria' event held in London with the Department of Innovation, Industry and Regional Development targeting five international Association clients, which generated new contacts and sales leads.

Another event saw MCVB partner with Invest Victoria in the USA to target major science and medical Association clients, strengthening Victoria's competitive appeal and highlighting the State Government's support for Business Events.

### SITE INSPECTIONS

Showcasing Melbourne and Victoria as a leading Business Events destination to Key Decision Makers is an important component of the bidding process. In FY09/10, MCVB held 29 site inspections (10 more than in FY08/09) to support major national and international bids. Resulting wins included the Conference of the International Lactation Consultant Association 2013, projected to inject more than \$12 million into the State economy.

### NATIONAL BUSINESS

MCVB generated record national business in FY09/10, expected to inject more than \$57.7 million (up 64% on FY08/09) into the State economy and attract 27,204 delegates (up 46%) to Melbourne and Victoria.

These results followed initiatives such as a major database cleansing project which involved qualifying all national contacts. It generated 200 new national Business Events leads.

In FY09/10, the National Sales Team undertook 35 sales calls in Canberra, Sydney and Brisbane, and held a 'Melbourne on the Move' National Roadshow.

The National Roadshow saw 12 members accompany MCVB to promote Victoria's Business Events products and services in Sydney and Canberra to more than 50 Key Decision Makers, influencers and Event Organisers in the corporate, Association and Government sectors. The Roadshow generated a 100% satisfaction rate, with all buyers surveyed saying that they were presented with quality information and a range of products and services which met their needs.

The National Sales Team also held a record nine familiarisations for national Event Organisers and Key Decision Makers, showcasing more than 30 MCVB members including hotels, attractions and caterers throughout Melbourne and Victoria, and generating six new corporate events (spanning the legal, medical, logistics and HR industries) for Victoria.

Sales leads and contacts were also generated by attending national trade shows, including the Australian Business Events Expo and the National Associations Forum, where MCVB was a primary sponsor.

## INCENTIVE SALES

Four years on from its inception in 2006, MCVB's Incentive Unit has secured more than \$100 million worth of business for Victoria.

FY09/10 saw the Unit secure 40 incentive and corporate events for Melbourne, worth more than \$16.3 million.

Incentive staff, along with MCVB partners, made 21 sales trips to over 13 cities throughout the Asia-Pacific region targeting growth markets such as Indonesia, Malaysia, China, Vietnam and Korea.

MCVB hosted a total of seven familiarisation programs, with 100 travel and corporate buyers and media hosted from North Asia (including Korea), South East Asia, India, New Zealand, the UK and Australia.

MCVB held its third annual Asia Roadshow in 2009. Twelve members partnered with MCVB to visit Kuala Lumpur and Beijing, engaging with 190 M.I.C.E. travel agents and corporate buyers. MCVB's CEO also gave interviews to publications ranging from *TTG Asia* to the *Malay Mail*, generating almost \$1 million worth of PR coverage. A major success, the Roadshow received an 80% satisfaction rating from partnering members, with more than 90% receiving significant business leads.

The Incentive Unit was also active in attending 13 major incentive trade events throughout the world. These included the Pacific Area Incentives & Conference Expo (PAICE) in Auckland, AIME, and the India mega fam, held on the Gold Coast in 2009, with trade show attendance generating 47 leads from throughout the world.

Incentive sales activity was complemented by marketing and PR activity. This included two new pieces of incentive travel-focused collateral - 'Top Ideas for your Top Achievers' and 'Made in Melbourne'.

MCVB's green incentive travel website, featuring low carbon impact incentive itineraries, continues to generate great interest in the marketplace, in the last year generating 5,287 page views from nine countries, with the average visit to the site lasting for 7.5 minutes.

PR activity also included targeting incentive and corporate buyers and planners through supplements and advertorials; highlights included cooperative advertising campaigns undertaken with Tourism Australia in Asia (*Mix Magazine*, reaching 14,000 corporate end users) and the UK (*C&IT Magazine*, reaching 18,000 agency and corporate Event Planners).



MCVB's new 'Top Ideas for your Top Achievers' brochure

Print and direct mail campaigns with wholesalers and incentive houses were also undertaken in Korea, China, Thailand and New Zealand.

Overall, MCVB's Incentive Unit secured 87% of the business it bid for - a very positive strike rate, particularly given the global economic climate.

## TRADE SHOWS

Attending major trade shows around the world is key to building destination awareness for Melbourne and Victoria, as well as to generating new leads and contacts.

Trade shows attended by MCVB staff and representatives in FY09/10 included IMEX (Frankfurt), EIBTM (Barcelona), Association Congress (London), MPI WEC (Las Vegas), PCMA (Dallas) and AIME (Melbourne).

## KEY SUCCESSES & Outcomes

- Secured a total of 179 Business Events for the year (up 41% on FY08/09)
- Hosted more than 100 buyers and media on incentive familiarisations
- Appointed new in-market Incentive Unit staff and representatives to target growth and emerging markets.

## INTERNATIONAL BUSINESS EVENTS SECURED FOR THE MELBOURNE CONVENTION CENTRE 2009/10

In FY09/10, MCVB secured 27 **International Bids** for the Melbourne Convention Centre.

Event Name	Year	Number of Days	Delegates	Delegate Days	Room Nights	Economic Impact
63rd Annual DPI/NGO Conference	2010	3	1,275	3,825	2,868	\$3,879,904
International Baccalaureate Asia Pacific Conference 2011	2011	4	750	3,000	2,250	\$3,043,062
World Congress of Asian Psychiatry - WCAP	2011	5	1,000	5,000	3,750	\$5,071,770
Healthcare Information and Management Systems Society -HIMSS- Asia Pacific	2011	4	2,000	8,000	6,000	\$8,114,832
Atheist Alliance International Convention 2012	2012	3	4,000	12,000	9,000	\$12,172,248
Australasian Aquaculture International Conference & Trade Show	2012	4	1,000	4,000	3,000	\$4,057,416
The 2012 SIRS Australasian Regional Conference	2012	3	750	2,250	1,688	\$2,282,297
International Congress of Aviation and Space Medicine 2012 - ICASM	2012	5	400	2,000	1,500	\$2,028,708
26th Pan Pacific Congress of Real Estate Appraisers, Valuers and Counsellors	2012	4	600	2,400	1,800	\$2,434,450
Not disclosed - Defence Conference 2012	2012	5	3,000	15,000	11,250	\$15,215,310
Asian Regional Congress of the International Industrial Relations Association - IR	2013	3	800	2,400	1,800	\$2,434,450
Conference of the International Lactation Consultant Association - ILCA	2013	8	1,500	12,000	9,000	\$12,172,248
XVIIIth International Conference on the Use of Computers in Radiation Therapy	2013	4	400	1,600	1,200	\$1,622,966
20th International Symposium on Hepatitis C Virus and Related Viruses	2013	5	1,000	5,000	3,750	\$5,071,770
WPA Thematic World Congress on Human Factors in Crises and Disaster Interventions 2013	2013	4	1,500	6,000	4,500	\$6,086,124
The 8th International Conference on Legionella	2013	4	400	1,600	1,200	\$1,622,966
International Fatigue Conference	2014	6	300	1,800	1,350	\$1,825,837
Not disclosed - Medical Meeting	2014	4	350	1,400	1,050	\$1,420,096
IEEE International Symposium on Circuits and Systems - ISCAS	2014	4	1,000	4,000	3,000	\$4,057,416
International Association of Plant Biotechnology Congress - IAPB	2014	6	1,500	9,000	6,750	\$9,129,186
Convention of Serra International	2015	4	800	3,200	2,400	\$3,245,933
World Geothermal Congress -WGC	2015	6	1,500	9,000	6,750	\$9,129,186
19th Congress of the International Ergonomics Association - IEA	2015	5	1,100	5,500	4,125	\$5,578,947
35th Congress of the Societe Internationale d 'Urologie	2015	5	4,000	20,000	15,000	\$20,287,080
World Congress of Psychosocial Rehabilitation - WAPR	2015	4	1,000	4,000	3,000	\$4,057,416
Not disclosed - Defence Conference 2016	2016	5	3,000	15,000	11,250	\$15,215,310
Not disclosed - Defence Conference 2020	2020	5	3,000	15,000	11,250	\$15,215,310
<b>INTERNATIONAL OVERALL TOTAL</b>		<b>122</b>	<b>37,925</b>	<b>173,975</b>	<b>130,481</b>	<b>\$176,472,237</b>

In FY09/10, MCVB secured nine **National Business Events** for the Melbourne Convention Centre.

Event	Year	Number of Days	Delegates	Delegate Days	Room Nights	Economic Impact
5th Australasian Drug Strategy Conference	2010	4	500	2,000	2,000	\$1,741,256
Mortgage Industry Association Of Australia National Convention 2010	2010	3	500	1,500	1,200	\$1,305,942
Health Informatics Conference 2010 - HIC10	2010	3	600	1,800	1,440	\$1,567,130
National Association of Community Legal Centres 2010	2010	4	400	1,600	1,280	\$1,393,005
12th Steadfast Convention	2011	7	1,400	9,800	7,840	\$8,532,154
6th International Conference on Drugs & Young People	2011	3	500	1,500	1,125	\$1,521,531
Marinas 2011	2011	4	375	1,500	1,200	\$1,305,942
Australasian Society for Ultrasound in Medicine Annual Scientific Meeting 2011 - ASUM	2011	4	500	2,000	1,600	\$1,741,256
The Australian College of Audiology Biennial National Congress 2011	2011	4	500	2,000	1,200	\$1,305,942
<b>NATIONAL OVERALL TOTAL</b>		<b>36</b>	<b>5,275</b>	<b>23,700</b>	<b>18,885</b>	<b>\$20,414,158</b>



## CORPORATE & INCENTIVE BUSINESS EVENTS SECURED FOR MELBOURNE 2009/10

### NATIONAL AND INTERNATIONAL CORPORATE BIDS WON FOR MELBOURNE 2009/10

Event Name	Year	Delegates Expected	Room Nights	Delegate Expenditure	Economic Impact
Sanofi Philippines CME programme 1	2010	24	72	\$51,797	\$97,378
Sanofi Philippines CME Programme 2	2010	24	72	\$51,797	\$97,378
Sanofi Philippines CME Programme 3	2010	24	72	\$51,797	\$97,378
cf.Objective 2010	2010	100	225	\$161,865	\$304,306
Nielsen Norman Group 2011 Meeting	2011	150	788	\$566,528	\$1,065,072
<b>TOTAL</b>		<b>322</b>	<b>1,229</b>	<b>\$883,784</b>	<b>\$1,661,512</b>

### INTERNATIONAL INCENTIVE BIDS WON FOR MELBOURNE 2009/10

Event Name	Year	Delegates Expected	Room Nights	Delegate Expenditure	Economic Impact
Motorola Regional Incentive	2009	30	180	\$113,550	\$213,474
Clear Water Bay Golf Club - Melbourne	2009	24	144	\$109,008	\$204,935
Astra Zeneca China	2009	75	450	\$340,650	\$640,422
ESPN Client Incentive 2010	2010	40	160	\$121,120	\$227,706
PVFC Incentive Group	2010	14	56	\$42,392	\$79,697
HOT 2010 Incentive	2010	40	160	\$121,120 t	\$227,706
GD CTS Client Incentive - Risu Milk Powder	2010	16	32	\$24,224	\$45,541
Isuzu Sales Force Incentive Trip 2010	2010	80	200	\$186,000	\$349,680
Elf Gas	2010	50	75	\$69,750	\$131,130
LG Air Conditioning Group	2010	60	240	\$181,680	\$341,558
ESP Ventures Incentive Group	2010	60	240	\$181,680	\$341,558
Starhub Corporate Sales Incentive	2010	40	100	\$93,000	\$174,840
L'Oreal China Incentive	2010	150	450	\$418,500	\$786,780
Ggogo Travel Client	2010	30	150	\$113,550	\$213,474
INC Aussie Incentive Group 1 (6D)	2010	22	33	\$30,690	\$57,697
INC Aussie Incentive Group 2	2010	27	41	\$37,665	\$70,810
Nekderx Incentive Programme 2010	2010	26	78	\$72,540	\$136,375
NZ Conference Connexions Incentive	2010	23	69	\$52,233	\$98,198
Korea Life Incentive Program	2010	100	150	\$139,500	\$262,260
Lion Club Conference (Guangdong) Post Tour	2010	200	600	\$454,200	\$853,896
HP Top Achievers	2010	55	330	\$153,450	\$288,486
HP APJ Group	2010	35	175	\$132,475	\$249,053
Elderly Group	2010	30	90	\$68,130	\$128,084
Bledisloe Cup Incentive Group	2010	60	360	\$272,520	\$512,338
ANZ Bank of Taiwan	2010	90	270	\$251,100	\$472,068
General Motors - MCI Grand Prix	2011	500	2,000	\$1,514,000	\$2,846,320
Kangzen Incentive	2011	70	140	\$130,200	\$244,776
<b>TOTAL</b>		<b>1,947</b>	<b>6,973</b>	<b>\$5,424,927</b>	<b>\$10,198,862</b>

# BUSINESS DEVELOPMENT

## \$22.2m

ECONOMIC IMPACT OF BUSINESS EVENTS  
SECURED WITH ASSISTANCE OF CLUB  
MELBOURNE AMBASSADORS

## 89

LEADS DEVELOPED TO BID STAGE, WITH  
POTENTIAL ECONOMIC IMPACT OF \$468M

## ▲ 41%

INCREASE IN LEADS HANDED OVER  
TO SALES TEAM



# BUSINESS DEVELOPMENT

**Innovative strategies to build new relationships and to grow sales opportunities delivered strong results for the Business Development Team in FY09/10. A total of 89 leads were developed to bid stage.**

## GENERATING LEADS

MCVB's Business Development Team researches, identifies and qualifies new business leads through a variety of means including liaising with the BestCities international alliance, researching industry sectors, and by holding and sponsoring events to identify and build relationships with local luminaries who can work with MCVB to secure Business Events for Melbourne.

The Business Development Team undertook four major lead generation projects in FY09/10, including 'Project 2000' targeting Association conventions of more than 2,000 delegates, and an inaugural events research project.

As a result of the Business Development Team's innovative approach to sourcing new leads, the number of Business Events leads handed over to the Sales Team to action as bid proposals increased by 41% in FY09/10 compared with FY08/09.

A total of 89 leads with the potential to generate Business Events for Victoria with a projected worth of \$468 million were developed into bids.

## CLUB MELBOURNE AMBASSADORS PROGRAM

MCVB continues to work cooperatively with the Melbourne Convention and Exhibition Centre (MCEC) to develop the Club Melbourne Ambassadors Program. The program enables Victoria's leading academics, scientists, researchers and innovators to act as Ambassadors to promote Victoria as a major conference destination and to bid in partnership with MCVB to attract Business Events.

FY09/10 saw 17 new Ambassadors join the program from prestigious organisations such as the Ludwig Institute for Cancer Research, the Royal Children's Hospital, Peter McCallum Cancer Centre and leading universities.

Club Melbourne Ambassadors also provided 29 new leads for Melbourne and assisted in securing six Business Events for Melbourne, projected to attract more than 5,525 delegates, with a potential economic impact of \$22.2 million.

These ranged from the 63rd Annual Department of Public Information Non-Governmental Organisations (DPI-NGO) Conference (only the third time the event has been held outside of the UN's New York headquarters in more than 60 years) and the International Youth Mental Health Conference (secured with the assistance of Professor Patrick McGorry, who was named Australian of the Year in 2010).

## SPONSORSHIPS AND EVENTS

In FY09/10, 15 promotional events and site inspections of MCEC were held to develop local host organising committees for bids.

Developing new relationships with universities and research institutes to promote MCVB's services and to identify potential Local Hosts and Ambassadors was a priority in FY09/10.

MCVB also sponsored eight events in order to attract a higher level of community awareness and engagement and to identify new leads.

These ranged from hosting medical luminaries at the Graeme Clark Oration, an annual event which honours Professor Clark's role in the development of the world's first bionic ear, to sponsoring workshops at the Associations Forum, providing the opportunity to educate potential Local Hosts on MCVB's services and to promote Melbourne as a world-leading destination for Business Events.



MCEC Foyer



Premier of Victoria, the Hon. John Brumby MP

## KEY SUCCESSES & Outcomes

- Developed a total of 89 national and international leads to bid stage with potential for \$468 million in economic impact
- Attracted 17 new Club Melbourne Ambassadors, generating 29 new leads
- Furthered Melbourne's promotional reach through new sponsorships and advertising campaigns in targeted industry publications.



# MARKETING & COMMUNICATIONS

## \$859m

VALUE OF BUSINESS BOOKED (\$US)  
AS A RESULT OF AIME 2010

## \$4.6m

VALUE OF MCVB MEDIA COVERAGE IN  
FY09/10, 240% ABOVE TARGET

## ▲ 29%

INCREASE IN VISITATION TO MCVB'S  
WEBSITE FOLLOWING RELAUNCH



# MARKETING & COMMUNICATIONS

FY09/10 was a year of innovation in MCVB's marketing and communications, with the launch of world-first marketing tools, new advertising campaigns, entering the social media space and relaunching MCVB's website. Through these initiatives, MCVB reached new, emerging and established markets throughout the world, increasing Victoria's appeal for Business Events.

## MARKETING

MCVB created a range of new marketing collateral spanning print, digital and television media, targeting audiences ranging from incentive planners and key convention decision makers to Government and industry stakeholders.

A major initiative was MCVB's television advertising campaign on the international Australia TV Network. The specially negotiated campaign saw the Victorian Premier, the Hon. John Brumby MP, and Minister for Innovation, the Hon. Gavin Jennings MP, promote Melbourne and Victoria's fields of excellence and Business Events facilities to more than six million viewers.

MCVB also published a 'Melbourne - Made for Business Events' brochure, which will be distributed at trade shows and sales calls around the world targeting Key Decision Makers and Event Planners.

Two new incentive travel brochures were also launched - 'Top Ideas for your Top Achievers' and 'Made in Melbourne', which showcases local experiences for incentive groups, such as chocolate making workshops.

MCVB's annual Melbourne Planner's Guide continued its success and this year included increased incentive travel options, as well as a guide to holding Business Events in regional Victoria. Survey findings showed that 89% of those using the Guide were 'satisfied' or 'very satisfied' with the publication, and that 69% had used the Guide 1-5 times in the two months prior to the survey.

## DIGITAL MARKETING

MCVB has commenced work on a new digital marketing strategy, which includes a review of existing e-communications and tools, as well as the launch of new, world-first digital tools. The strategy aims to reach existing target audiences in new ways, as well as new audiences, by using the latest digital technology available.

As part of the digital marketing strategy, MCVB announced 'My Melbourne' in FY09/10 - a world-first online tool designed to maximise delegate numbers attending conventions in Melbourne.

'My Melbourne' presents delegates with a series of experiences and attractions from around Victoria to select from, and then creates a customised video to both attract and to up-sell to potential and confirmed delegates and their travel partners.

## PUBLIC RELATIONS AND ADVERTISING

MCVB generated national and international media coverage valued at \$4.6 million in FY09/10, 240% above target.

Key topics of interest covered by the media included AIME, Melbourne's new developments, MCVB as a leader in innovation (launching world-firsts, such as the online delegate boosting tool), and Melbourne as a leading 'green' Business Events destination (with media coverage featuring MCVB's award-winning CSR initiatives as well as MCEC's award-winning green achievements).

MCVB's advertising and publicity campaign saw features published in trade magazines and industry supplements in key markets throughout the UK, Europe, Asia and the USA. Highlights included supplements in *CIM Magazine* (Germany), *C&IT Magazine* (UK), *Convene Magazine* (USA) and *Escape Magazine* (Malaysia).

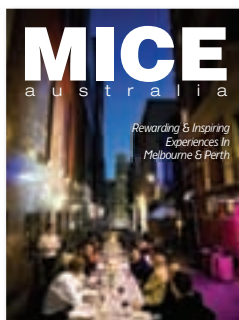
FY09/10 PR activity was also boosted by the work of New York-based Laura Davidson Public Relations, completing a one-year partnership with MCVB in February 2010. A major achievement was a 'green' feature showcasing MCEC's 6 Star Green Star credentials which aired on SkyRadio Online, American Airlines In-flight Radio and the CNN Airport Network, reaching an estimated 134 million listeners, generating \$88,000 worth of PR exposure.



Harian Metro,  
Malaysia



China Travel Agent,  
China



Escape Magazine,  
Asia



HeadQuarters Magazine,  
Europe



Convene Magazine  
USA

## MARKETING & COMMUNICATIONS

### SOCIAL MEDIA

MCVB created Facebook, Twitter and LinkedIn profiles in FY09/10 in order to connect with existing stakeholders in the social media space, as well as to reach new audiences. These platforms are part of MCVB's new digital marketing strategy.

### WEBSITE RELAUNCH

In FY09/10, MCVB relaunched its website featuring a new design, more user-friendly navigation options and a re-write of all content. A key component of the relaunch was the integration of Search Engine Optimisation (SEO) techniques to improve accessibility, keyword targeting and marketing of the website to ensure high visibility in search engines.

The launch of the new website has generated impressive results, with an increase in the number of total visits to the website (up 29%) and the number of new visitors to the website (up 43.5%) from the launch date in November 2009 to the end of the financial year, as compared with the same period last year.

### AIME 2010

MCVB's annual trade show, the Asia-Pacific Incentives & Meetings Expo (AIME), continues to grow in size and importance, attracting 195 new exhibitors in 2010 and

generating business valued at more than US\$859 million (up 32% from 2009), despite the challenging global economic climate.

Established by MCVB in 1993 as a trade exhibition for meeting, incentive and Event Planners, today AIME is recognised globally as a key industry event, with 3,100 visitors from 50 countries attending the two-day event.

### EXHIBITION OF THE YEAR

FY09/10 saw AIME awarded 'Exhibition of the Year' for the second consecutive year at the prestigious National Meetings & Events Australia (MEA) Awards.

### RECORD BUYER NUMBERS

A record 513 Hosted Buyers attended AIME 2010 (up 9.9%), attending from 33 countries.

### NEW EXHIBITORS

AIME 2010 attracted 808 exhibitors, including 195 new exhibitors (representing a quarter of all exhibitors), ranging from Visit London to Vietnam Airlines.

### SHOWCASING SUPPLIERS

As part of its commitment to showcasing Melbourne and regional Victoria's Business Events products and services, MCVB holds a 'Chic City Showcase' during AIME, with this year's event seeing 224 Hosted Buyers and media from around the world visit 33 MCVB members in Melbourne.



AIME 2010 Melbourne/Victoria Stand



MCVB is also committed to showcasing regional Victoria for Business Events during AIME and executes an annual pre-touring component throughout the State. This year, a record number of 14 pre-tours were held, with Hosted Buyers and media visiting destinations including Phillip Island, Great Ocean Road, Bendigo, Ballarat, Mornington Peninsula, Yarra Valley, Southern Grampians, Mildura and Geelong & Bellarine Peninsula.

A survey of Hosted Buyers who participated in pre-touring indicated that:

- 84% believed the choices available for pre-touring were 'good to very good'
- 81% plan to bring Business Events to Melbourne and/or Victoria in the future
- 62% are more likely to bring business to Melbourne as a result of their pre-touring experience.

## UNIQUE NETWORKING OPPORTUNITIES

Networking opportunities included a Hosted Buyer and media welcome at Docklands' Waterfront Venues, a breakfast at Crown Conference Centre, lunch at MCEC, and the official AIME 2010 Welcome Reception at the 'Goods Shed South', attracting more than 2,200 attendees.

## DEVELOPMENT OPPORTUNITIES

AIME's Master Class program again offered unique opportunities for those in the Business Events industry to continue their professional development. Session topics in 2010 included 'How to get more bang for your buck' and 'Stand out from the crowd - innovation in a downturn'. A 'marketing to win' session by Keynote Speaker, Deborah Sexton, President and CEO of the USA Professional Convention Management Association, was also highly attended.

## INTERNATIONAL MEDIA COVERAGE

AIME generates year-round media coverage and is a highlight event for trade media. This year more than 60 journalists attended from 14 countries, generating more than \$1.8 million worth of PR coverage.

## ENVIRONMENTALLY RESPONSIBLE

Carbon credits were purchased from the Carbon Reduction Institute in order to lower the environmental impact of AIME 2010. The carbon credits supported an energy efficiency project which abates carbon through the installation of energy efficient light bulbs.

## KEY SUCCESSES & Outcomes

- Generated \$4.6 million worth of PR coverage internationally, 240% above target
- Relaunched MCVB's website, increasing visitation by 29%
- Implemented new social media tools, including Facebook, Twitter and LinkedIn
- Awarded 'Exhibition of the Year' for AIME at the national MEA Awards for the second consecutive year.



Top: AIME Welcome Reception, Goods Shed South  
Above: AIME pre-tour, Ballarat



Robert Doyle, Lord Mayor of Melbourne, opens AIME 2010 with MCVB CEO, Sandra Chipchase (left) and Event Director, Rosemarie Sama (right)

# MEMBERSHIP

**\$22m**

VALUE OF BUSINESS GENERATED  
FOR VICTORIA BY MM+ES

**▲ 21%**

INCREASE IN NUMBER OF LEADS  
GENERATED BY MM+ES FOR MEMBERS

**100%**

PROPORTION OF THOSE SURVEYED  
WHO WOULD RECOMMEND MM+ES  
TO OTHERS

## MEMBERSHIP

The products and services of MCVB's 260 members are integral to Melbourne and Victoria's appeal as a leading Business Events destination. In FY09/10 MCVB focused on extending the international profile of its members, as well as providing more leads and business opportunities for this critical stakeholder group.

### INCREASING EXPOSURE AND OPPORTUNITIES

MCVB's Membership Unit recorded positive results in FY09/10 generating an increase in new member revenue (up 8%) and member contra (up 68%). MCVB's Melbourne Meetings + Events Service also generated more event leads (up 28%) and referrals (up 21%) for members.

MCVB is committed to delivering valuable benefits to its members. In FY09/10, these included unique sales opportunities, such as partnering with MCVB on a 'Melbourne on the Move' National Roadshow, and cooperative marketing opportunities, such as partnering in MCVB's Melbourne Planner's Guide, and in international magazine features and advertorials.

Members also gain exposure through the many site inspections which MCVB hosts throughout Victoria each year, including through familiarisations hosted by MCVB's Incentive Unit, which this year targeted new and emerging markets, showcasing members to buyers from countries including Korea, Thailand and India.

One of the best ways MCVB showcases members is through the annual Asia-Pacific Incentives & Meetings Expo (AIME).

AIME 2010 saw more than 224 Hosted Buyers and media from around the world visit 33 members through MCVB's 'Chic City Showcase'.

MCVB also promoted members located throughout regional Victoria through a record 14 AIME pre-tour familiarisation programs

for Hosted Buyers and media, highlighting members' products and services, as well as itinerary ideas to make the most of Business Events in each region.

The AIME Melbourne/Victoria Stand also offered a unique opportunity for members to expose their products and services to more than 3,000 visitors from around the world, and to network at the event's daily 'Taste of Victoria' sessions.

MCVB's annual Asia Roadshow also provides an opportunity to showcase members' products and services directly to buyers. In 2009, 12 members partnered with MCVB to meet with 190 M.I.C.E. travel agents and corporate buyers in Kuala Lumpur and Beijing.

In addition to gaining valuable contacts, exposure and media coverage through the Roadshow, 90% of partnering members reported receiving significant business leads.

### MM+ES

A one-stop-shop for all Business Events referral needs, from catering quotes to sourcing venues, MCVB's Melbourne Meetings + Events Service (MM+ES) provides leads and referrals exclusively to members.

In FY09/10, MCVB developed and executed a national MM+ES advertising campaign targeting trade media and major mainstream media, including the *Herald Sun* and *The Age*. MCVB also undertook a radio campaign for the first time, reaching more than 500,000 listeners daily, and targeting the 18-39 year old demographic most likely to use MM+ES, through Nova 100.

As a result of innovative new strategies to promote MM+ES, FY09/10 saw the number of referrals generated by MM+ES for members increase by 21%, generating \$22 million (up 29%) worth of national, corporate and Association, and Government business for Victoria.

Significantly, a survey taken in 2010 showed that 90% of MM+ES clients were likely to use the service again (up 40%); 95% stated that the recommendations put forward by MM+ES suited their requirements (up 35%); and 100% would recommend MM+ES to others.

## MEMBER EVENTS

MCVB conducts regular surveys to determine the educational topics of interest to its members, in order to deliver sessions which meet members' needs.

A highlight event of FY09/10 featured motivational speaker and customer service expert, Martin Grunstein, presenting in response to member surveys that identified interest in developing better relationships with, and maximising results from, customer bases. Survey results found that 89% of attending members thought the event was highly relevant to their business, and that such events are a major benefit to their membership.

### MEMBER SITE VISITS

Purpose: To educate MCVB staff about member products and services, ensuring staff are better equipped to promote members in sales, marketing and PR activity.

**Total for the year: 91**

### MEMBER PRESENTATION SESSIONS

Purpose: For members to update MCVB staff about developments and visit the MCVB office.

**Total for the year: 14**

### MEMBER REFRESHER SESSIONS

Purpose: For MCVB to inform members about its activities and report on business generated by the organisation for members, Melbourne and Victoria.

**Total for the year: 20**

### MEMBER BRIEFING EVENTS

Purpose: To provide members with industry knowledge such as market trends and intelligence from around the world.

**Total for the year: 5**

## KEY SUCCESSES & Outcomes

- Developed membership growth and retention plans, generating an 8% increase in new member revenue
- Increased referrals for members by 21%
- Increased economic impact of business generated by MM+ES by 29%.



Member Event - Melbourne Planner's Guide Launch



Dreamtime familiarisation showcases MCVB member, Sovereign Hill



*Mao's Last Dancer* author, Li Cunxin, presents at MCVB's AGM luncheon



# RESEARCH

**98%**

PROPORTION OF CLIENTS SURVEYED  
WHO RATE MCVB'S SERVICE AS  
'EXCELLENT'

**▲ 20%**

INCREASE IN BUSINESSES PARTICIPATING  
IN MCVB'S MELBOURNE'S 'GREEN  
CREDENTIALS' REPORT

**▲ 18%**

INCREASE IN BUSINESSES CONDUCTING  
GREEN AUDITS/DEVELOPING  
ENVIRONMENTAL PLANS



# RESEARCH

**MCVB launched a number of world and Australian research firsts in FY09/10, with projects aimed at gaining new market intelligence to attract more Business Events and delegates to Melbourne and regional Victoria.**

## 'BEYOND TOURISM' STUDY

Identifying that Business Events studies have generally focused on the short-term, tourism-specific impact of Business Events, MCVB commissioned a 'Business Events - Beyond Tourism' Study in 2009, seeking to identify and quantify the raft of benefits generated by Business Events.

This world-first study will assist the Business Events sector as well as Government to identify the additional benefits these events have in driving business relationships and migration, export dollars, education and innovation.

Four conferences are being surveyed by Victoria University. These include the 2009 AusBiotech Conference and the 10th International Conference on Synchrotron Radiation Instrumentation (ICSRI).

Preliminary findings indicate that Business Events increase business relationships, knowledge sharing and innovation.

## TRACKING DELEGATES

In FY09/10, MCVB partnered with the City of Melbourne and university consultants to conduct a GPS Tracking Study to track delegates' spatial use of the inner city. The study will assist in improving the delegate visitor experience.

## REGIONAL VICTORIA RESEARCH

Business Events Australia, Tourism Victoria, MCVB and Business Events Victoria launched a Regional Victoria Business Events Marketing Program

in FY09/10, with the aim of increasing Business Events and delegate numbers for regional Victoria.

As part of the program a survey was undertaken to ascertain the perceptions of Business Events Planners and Buyers towards holding a conference/event in regional Victoria, and the perceptions of regional Victorian industry operators with an interest in the Business Events industry.

Intelligence gained will feed into a PR and advertising campaign to market regional Victoria for Business Events, and will assist with delegate boosting initiatives.

## ACCOMPANYING PERSONS SURVEY

In FY09/10, MCVB created a new marketing program to maximise Business Events numbers by targeting those travelling with delegates to Victoria. To better understand this target market (currently a third of delegates travel with an accompanying person), MCVB became the first CVB in Australia to survey accompanying persons. The survey covers a range of topics, from spending patterns to the decision making process. This information will assist MCVB in determining when and how to target accompanying persons, as well as the level of influence they have on a delegate's decision to attend a Business Event.

## BUSINESS EVENTS MONITOR

MCVB's Business Events monitor aims to provide insights into the scope of the industry in Victoria, identifying the number of events held, the number of participants, and key periods. In FY09/10 the study extended to regional Victoria. Intelligence gained will be used to increase the effectiveness of marketing campaigns to attract Business Events to Victoria.

## 'GREEN CREDENTIALS' REPORT

FY09/10 saw MCVB's third annual Melbourne's 'Green Credentials' Report published. An Australian Bureau first, the Report identifies the environmentally friendly initiatives delivered by Business Events suppliers.

The 2010 Report saw a 20% increase in participating businesses, with improvements including an increase in the number of audits conducted and environmental plans developed (up 18%), an increase in the creation of 'green teams' (up 17%), and an increase in businesses offsetting their own carbon emissions or offering carbon offset opportunities to clients (up 12%).

## INDUSTRY RESEARCH

MCVB supports the research needs of industry partners, such as the Business Events Council of Australia (BECA) and the Australian Association of Convention Bureaux (AACB). Projects in FY09/10 included a Conference Delegate Survey for Meetings & Events Australia, and a Staff Conference Survey for AACB. MCVB also provided research support for industry reports, such as BECA's 'How's Australia Performing in the Business Events Market?' Report.

## BESTCITIES

MCVB is a founding member, and Australia's only member, of BestCities – a global alliance of eight international cities (Cape Town, Copenhagen, Dubai, Edinburgh, San Juan, Singapore, Vancouver and Melbourne) committed to delivering quality assured customer service.

In accordance with BestCities accreditation, certified by Lloyd's Register Quality Assurance, MCVB undertook post-bid surveys to review and assess its bids. For the second year in a row, 98% of clients rated MCVB's service across a range of criteria, from professionalism to bid preparation assistance, as 'excellent'.

## KEY SUCCESSES & Outcomes

- New research projects will assist in attracting more Business Events to Melbourne and regional Victoria
- Attracted record participation in Melbourne's 'Green Credentials' Report
- Post-bid surveys showed 98% of clients rate MCVB's service as 'excellent'.



# CONVENTION SERVICING & GOVERNMENT PARTNERSHIPS

▲ **25%**

INCREASE IN FUNDING ALLOCATED  
THROUGH THE CITYWIDE SUPPORT  
PACKAGE

**44**

NUMBER OF COUNTRIES MCVB'S  
AUSTRALIA NETWORK TV ADVERTISING  
CAMPAIGNS REACHED

**12**

NUMBER OF INTERNATIONAL  
CONFERENCES MCVB ATTENDED  
TO CONDUCT DELEGATE BOOSTING  
INITIATIVES





# CONVENTION SERVICING & GOVERNMENT PARTNERSHIPS

**FY09/10 saw a commitment by MCVB to expand its resources to oversee its growing portfolio of Government-related international meetings, delegate boosting activities and convention support services.**

With a clear strategy to strengthen linkages across Government and with other industry stakeholders to ensure support for Melbourne's Business Events bids, FY09/10 saw MCVB create a Convention Servicing & Government Partnerships Team dedicated to assisting in conferencing support and delegate boosting.

## DELEGATE BOOSTING

MCVB undertook projects to: assist in delivering projected delegate numbers; boost delegate spend; and increase the number of 'accompanying persons' travelling with Business Events delegates in Melbourne and Victoria. Projects included MCVB's new online delegate boosting tool, and the development of a marketing tool kit, which assists Professional Conference Organisers in promoting Melbourne to potential delegates.

MCVB also worked with Government partners on projects to increase destination-focused communication with delegates; for example, MCVB worked with the City of Melbourne on a new piece of collateral created specifically to address the information needs of delegates and to assist delegates and those travelling with them in making the most of their time in Melbourne.

## CITYWIDE SUPPORT PACKAGE

MCVB's Convention Servicing & Government Partnerships Unit also manages the Citywide Support Package (CWSP).

Developed in partnership with the Melbourne Convention and Exhibition Centre, the City of Melbourne and other major stakeholders, including Destination Melbourne and Tourism Victoria, funds allocated under the CWSP support planning, marketing, on-site support, site inspections of Melbourne, and delegate boosting activities.

In FY09/10, funding allocated under the CWSP increased by 25%. This allowed for a greater focus on delegate boosting activities to drive increased numbers to upcoming Business Events secured for Melbourne. MCVB promoted Melbourne at 12 conferences including the American Psychological Association Convention, in Toronto, where MCVB encouraged delegates to register for the International Congress of Applied Psychology (ICAP) held in Melbourne in July 2010, and at the World Congress of the World Society for Pediatric Infectious Diseases (WSPID), in Nice, where MCVB promoted the upcoming WSPID Congress, to be held in Melbourne in 2011.

## WORKING WITH MINISTERS TO PROMOTE MELBOURNE

MCVB works with Ministers and State Government bodies to harness events and media opportunities to further Melbourne's international appeal as a leading Business Events destination.

In FY09/10, MCVB generated a range of publicity opportunities for the Lord Mayor of Melbourne and State Ministers covering a variety of portfolios, including Tourism and Major Events, Health, Innovation and Workplace Relations.

A highlight was securing the Premier of Victoria, the Hon. John Brumby MP, and the Minister for Innovation, the Hon. Gavin Jennings MP, to feature in two television commercials created by MCVB to promote Melbourne's fields of excellence, and the city's Business Events facilities and capabilities.

MCVB also partnered with Victorian State Government bodies, such as the Department of Innovation, Industry and Regional Development, and Invest Victoria, to host events in the UK and USA to promote Victoria as a leader within the fields of medicine, science and innovation, and to generate new Association leads and contacts.



Premier of Victoria, the Hon. John Brumby MP, featured in MCVB's television commercial on the Australia TV Network

## KEY SUCCESSES

### & Outcomes

- Expanded resources to increase focus on delegate boosting initiatives
- Increased funding allocated under the CWSP, allowing for greater destination promotion throughout the world
- Publicised whole-of-Government approach to Business Events through advertising campaign, increasing Victoria's appeal internationally.

# CORPORATE SERVICES

33.9

AVERAGE NUMBER OF HOURS SPENT  
PER STAFF MEMBER ON TRAINING

7

NUMBER OF UNIVERSITY STUDENTS  
MENTORED AS PART OF MCVB'S  
INTERNSHIP PROGRAM

100%

AMOUNT OF GLASS, PLASTERBOARD  
AND ALUMINIUM RECYCLED FROM  
OFFICE REFURBISHMENT





# CORPORATE SERVICES

MCVB regularly reviews all Corporate Services functions - financial management, corporate governance, human resources practices and IT - in order to improve organisational efficiency and effectiveness.

## OPERATIONS AND EFFICIENCY

The efficiency of MCVB's operations is monitored through undertaking regular internal and external audits, risk assessments and operating cost reductions.

An annual risk assessment is conducted by MCVB's Board Risk Committee, which produces a set of risk mitigation strategies, ranging from strategies to retain staff, through to strategies to ensure the quality and success of MCVB's Asia-Pacific Incentives & Meetings Expo (AIME).

A major area of focus in FY09/10 was creating new risk mitigation strategies to deliver increased delegate numbers to Melbourne and Victoria, with new initiatives including the development of MCVB's 'My Melbourne' online delegate boosting tool - the first of its kind in the world.

In compliance with its BestCities Global Alliance membership, MCVB was audited by Lloyd's Register Quality Assurance, successfully complying with each of the 36 BestCities service standards. As one of only eight members around the world, and as Australia's only member, BestCities membership provides MCVB with a competitive advantage internationally.

Financial and operational audits were also conducted by KPMG.

Regular reviews of MCVB's IT architecture and infrastructure are also undertaken in order to ensure that the organisation's IT systems support organisational efficiency.

To this end, in FY09/10 MCVB instituted SharePoint - a Microsoft browser-based collaboration and document management

platform which helps to improve MCVB's organisational effectiveness by streamlining the management of and access to data.

## HUMAN RESOURCES

With an organisational objective of attracting and retaining the best staff, MCVB is committed to developing staff members' technical, professional and personal skills, in turn increasing the organisation's capacity to secure business.

MCVB's dedicated learning and development program aims to tailor training to individual needs as well as those of the organisation.

In FY09/10, 1.4% of the total salary budget was dedicated to staff training and development. Staff attended a minimum of four training programs with an average of 33.9 training hours per staff member.

Training covered a range of professional and skill development areas and topics, including project management, presentation skills and event business management systems. Staff also furthered their knowledge by attending industry courses and events, such as AACB seminars, ICCA workshops and AIME Master Classes.

Staff are encouraged to acknowledge and reward their peers through an employee recognition program, with award criteria linked to the organisation's five human capital management guidelines, which in turn align with the organisation's KPIs.

## MCVB STUDENT INTERNSHIP PROGRAM

MCVB's student internship program, offered in partnership with several Victorian universities, sees students mentored in all aspects of MCVB's core business.

During FY09/10, seven students undertook placements, including a Korean student who spent three months with MCVB under an International Student Internship Program.

Additionally, five students assisted MCVB's National Sales Team on a major database management and lead generation project, with two students subsequently gaining full time employment with MCVB.

MCVB also hosted a Box Hill TAFE lecturer as part of the 'return to industry' program offered by the TAFE Development Centre to give teaching professionals direct exposure to wider work environments. This allowed the lecturer to refresh and update her practical knowledge of the Business Events industry.

## ENVIRONMENTAL SUSTAINABILITY

MCVB continues to monitor, measure and report on the carbon footprint of its Head Office in order to reduce its environmental impact. Staff are encouraged to reduce paper usage and electricity consumption, with carbon footprint updates provided at monthly staff meetings. MCVB also continues to separate waste into organic, recyclable and rubbish waste, reducing the amount of landfill it generates.

In FY09/10, MCVB also undertook measures to reduce the environmental impact of its office renovation. As a result, 100% of the glass (2.3 tonnes), plasterboard (38m<sup>3</sup>) and aluminium (8m<sup>3</sup>) removed was recycled.

### KEY SUCCESSSES & Outcomes

- Introduced SharePoint, streamlining document management and internal e-communications
- Staff undertook a minimum of four training courses, with an average of 33.9 training hours per staff member
- Reduced environmental impact of office refurbishment by recycling waste material.



# DIRECTORS' REPORT



# DIRECTORS' REPORT

The Directors present their report together with the financial report of Melbourne Convention and Visitors Bureau Ltd (the "Company"), for the financial year ended 30 June 2010 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
<b>Christopher C Barlow</b> <b>B.Sc (Honours)</b> <b>Civil Engineering</b> <b>Independent Non-Executive Director</b>	<p>Appointed 27 November 2001</p> <p>Appointed Chairman 28 November 2007</p> <p>Chairman Remuneration Committee</p> <p>Non-Executive Director and Chair, Remuneration Committee – Asciano Group; Chairman Northern Territory Airports (Darwin and Alice Springs). Previously Chief Executive Officer &amp; Managing Director – Australian Pacific Airports Corporation (operators of Melbourne &amp; Launceston Airports); formerly Developmental Director of BAA plc. Chartered Engineer.</p>
<b>Dr Kathy Alexander</b> <b>Ph.D in Social Policy</b> <b>Independent Non-Executive Director</b>	<p>Appointed 3 September 2008</p> <p>Chief Executive Officer, City of Melbourne.</p> <p>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.</p>
<b>Kate Brennan</b> <b>Independent Non-Executive Director</b>	<p>Appointed 29 November 2006</p> <p>Risk Committee Chair</p> <p>Chief Executive Officer, Federation Square.</p> <p>Deputy Chair of the Executive Board of the Committee for Melbourne, member Australia Day Committee (Victoria), member Melbourne Retail Advisory Board and Board member of Interact Australia.</p> <p>Formerly CEO of the Adelaide Festival Trust Centre. Previous member of Australian International Cultural Council, Vice President of the Australian Arts and Entertainment Industry Association, Deputy Chair of the Association of Asia Pacific Performing Arts Centres, member of the South Australian Multi-Cultural and Ethnic Affairs Commission, inaugural board member of the Leaders Institute of South Australia and Chairperson of the Capital City Forum (Adelaide).</p>
<b>David G Courtney</b> <b>MBA (Monash), FCA,</b> <b>B.Bus (RMIT), F Fin (Finsia)</b> <b>Independent Non-Executive Director</b>	<p>Appointed 23 May 2007</p> <p>Chief Executive Officer, Crown Melbourne Limited.</p> <p>Director, Crown Melbourne Limited; Director, Burswood Limited; Formerly Chief Executive Officer – Burswood Limited; Former Partner – Ernst &amp; Young.</p>
<b>Julian Clark</b>  <b>Independent Non- Executive Director</b>	<p>Appointed 24 November 2009</p> <p>CEO – The Lancemore Group (Mansion Hotel &amp; Spa at Werribee Park, Lancemore Hill, Lindenderry at Red Hill, Lindenwarrah at Milawa).</p> <p>Chair of the Hotel Motel and Accommodation Association (Vic) and President of International Association of Conference Centres (IACC) – Australia.</p>

## DIRECTORS (CONTINUED)

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
<b>John D Davies</b> <b>B. Bus Studies, FCA</b> <b>Independent Non-Executive Director</b>	<p>Appointed 27 November 2002</p> <p>Audit &amp; Finance Committee Chairman  Risk Committee Member  Remuneration Committee Member</p> <p>Partner - Ernst &amp; Young.</p> <p>Specific experience risk management; Oceania Leader of Ernst &amp; Young's Consumer Products Group; specialist knowledge in Major Events and Venues industry.</p>
<b>Peter A Fitzgerald</b> <b>B.Com (Melb), LLB (Melb), LLM (Monash), MBA (Columbia)</b> <b>Independent Non-Executive Director</b>	<p>Appointed 26 November 2003; Retired 24 November 2009</p> <p>Executive Director – Strategy, Policy &amp; Finance, Department of Health.</p> <p>Formerly a founding partner and director at Growth Solutions Group. Barrister &amp; Solicitor and former McKinsey consultant. Member, Prince Henry's Institute of Medical Research; Specialist in strategy, public policy and infrastructure.</p>
<b>Leigh Harry</b> <b>CFE AFMEA B. Com (Melb)</b> <b>Independent Non-Executive Director</b>	<p>Appointed 15 January 1996</p> <p>Deputy Chairman  Audit &amp; Finance Committee Member  Risk Committee Member</p> <p>Chief Executive - Melbourne Convention and Exhibition Centre.</p> <p>President, International Congress &amp; Convention Association; President Joint Meetings Industry Council, Member Tourism Australia Business Events Advisory Group, Immediate Past Chairman, Business Events Council of Australia; Previous National President Meetings &amp; Events Association Australia.</p>
<b>Kenneth J Ryan</b> <b>B.Com (Melb)</b> <b>Independent Non-Executive Director</b>	<p>Appointed 26 September 2007</p> <p>Regional General Manager Victoria and Southern Australia, Qantas Airways Ltd.</p> <p>Has held a number of senior management positions with Qantas for 15 years in a range of roles including Group General Manager Marketing, Head of Corporate Development and Chief Executive's Representative, Asia. Member of the Australian Grand Prix Board.</p>
<b>Darryl L Washington</b> <b>B.Com (Melb), CPA</b> <b>Independent Non-Executive Director</b>	<p>Appointed 15 January 1996</p> <p>General Manager - Accommodation Division, Australian Hotels Association (Vic); Director United Inn-Keeper Association Ltd; Director, Central City Consultants.</p> <p>Former State and National President, AHA; Former Managing Director, United Innkeeper Hotels.</p>
<b>Christopher B Woodruff</b> <b>Independent Non-Executive Director</b>	<p>Appointed 28 November 2007</p> <p>Managing Director &amp; Chief Executive Officer, Melbourne Airport</p> <p>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.</p>

## 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 C Barlow	6	6	1	1	-	-	2	2
Leigh Harry	6	6	6	6	3	3	-	-
Dr Kathy Alexander	6	4	-	-	-	-	-	-
Kate Brennan	6	6	-	-	2	2	-	-
Julian Clark	3	3	-	-	-	-	-	-
David G Courtney	6	5	-	-	-	-	-	-
John D Davies	6	5	6	6	3	3	2	2
Peter A Fitzgerald	3	1	-	-	-	-	-	-
Kenneth J Ryan	6	3	-	-	-	-	-	-
Darryl L Washington	6	5	-	-	-	-	-	-
Christopher B Woodruff	6	5	-	-	-	-	-	-

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

**B** Number of meetings attended

### 4. PRINCIPAL ACTIVITIES

The principal activities of the Company during the year ended 30 June 2010 comprised of the promotion and marketing of Melbourne and Regional Victoria as a business events destination and the securing of business events for Victoria.

There were no significant changes in the nature of the activities of the Company during the year.

### 5. OPERATING AND FINANCIAL REVIEW

Revenue from operations for the year ended 30 June 2010 was \$11,446,627 (2009: \$11,302,122). The result for the year ended 30 June 2010 is a surplus of \$223,415 (2009: \$552,509 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.

### 6. DIVIDENDS

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

### 7. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## 8. LIKELY DEVELOPMENTS

There are no likely developments that will have an effect on the Company's operations or the expected results of its operations.

## 9. 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 \$5,883 (2009: \$6,660) 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.

## 10. NON-AUDIT SERVICES

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties, as set out in note 7 to the financial statements.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the audit and finance committee to ensure they do not impact the integrity and objectivity of the auditor, and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

## 11. 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.

## 12. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 50 and forms part of the Directors' Report for the year ended 30 June 2010.

**This report is made with a resolution of the Directors:**



**Chris Barlow**, Director



**John Davies**, Director

Dated at Melbourne this 30th day of August 2010.

# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Revenue	5	11,425,718	11,253,581
Other income		20,909	48,541
Sales and marketing expenses		[9,892,491]	[9,429,531]
Administrative expenses		[1,406,887]	[1,414,116]
<b>Result from operating activities</b>		<b>147,249</b>	<b>458,475</b>
Finance income		78,982	94,242
Finance expenses		[2,816]	[208]
<b>Net financing income</b>	8	<b>76,166</b>	<b>94,034</b>
<b>Net surplus</b>		<b>223,415</b>	<b>552,509</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>223,415</b>	<b>552,509</b>

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>Assets</b>			
Cash and cash equivalents	9	3,253,204	3,062,823
Trade and other receivables	10	888,591	186,600
<b>Total current assets</b>		<b>4,141,795</b>	<b>3,249,423</b>
Plant and equipment	11	660,828	236,348
Intangibles	12	26,276	41,599
<b>Total non-current assets</b>		<b>687,104</b>	<b>277,947</b>
<b>Total assets</b>		<b>4,828,899</b>	<b>3,527,370</b>
<b>Liabilities</b>			
Trade and other payables	13	2,181,154	1,365,562
Borrowings	14	20,504	21,478
Employee benefits	15	411,995	345,443
<b>Total current liabilities</b>		<b>2,613,653</b>	<b>1,732,483</b>
Borrowings	14	43,008	63,512
Employee benefits	15	56,329	28,002
Provisions	16	206,978	17,857
<b>Total non-current liabilities</b>		<b>306,315</b>	<b>109,371</b>
<b>Total liabilities</b>		<b>2,919,968</b>	<b>1,841,854</b>
<b>Net assets</b>		<b>1,908,931</b>	<b>1,685,516</b>
<b>Equity</b>			
Retained earnings		1,908,931	1,685,516
<b>Total equity</b>		<b>1,908,931</b>	<b>1,685,516</b>

The above statements are to be read in conjunction with the notes to the financial statements set out on pages 35 to 48.



# FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
<b>Retained earnings</b>		
Opening balance at 1 July	1,685,516	1,133,007
<b>Total comprehensive income for the year</b>		
Net surplus for the year	223,415	552,509
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>223,415</b>	<b>552,509</b>
<b>Closing balance at 30 June</b>	<b>1,908,931</b>	<b>1,685,516</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010	2009
		\$	\$
<b>Cash flows from operating activities</b>			
Cash received from customers and funding bodies		11,054,149	11,298,640
Cash paid to suppliers and employees		(10,443,475)	(10,159,038)
<b>Cash generated from operations</b>		<b>610,674</b>	<b>1,139,602</b>
Interest received		78,982	94,242
<b>Net cash from operating activities</b>	20	<b>689,656</b>	<b>1,233,844</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of plant and equipment		425	450
Acquisitions of plant and equipment		(475,889)	(103,389)
Acquisitions of intangibles		(1,131)	(39,630)
<b>Net cash (used in) investing activities</b>		<b>(476,595)</b>	<b>(142,569)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(22,680)	(11,340)
<b>Net cash (used in) financing activities</b>		<b>(22,680)</b>	<b>(11,340)</b>
Net increase in cash and cash equivalents		190,381	1,079,935
Cash and cash equivalents at beginning of period		3,062,823	1,982,888
<b>Cash and cash equivalents at end of period</b>	9	<b>3,253,204</b>	<b>3,062,823</b>

The above statements are to be read in conjunction with the notes to the financial statements set out on pages 35 to 48.

## 1. REPORTING ENTITY

Melbourne Convention and Visitors Bureau Ltd (the "Company") is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. 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. The financial report was authorised for issue by the Directors on 30th August 2010.

## 2. BASIS OF PREPARATION

### (a) STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations), adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

### (b) BASIS OF MEASUREMENT

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

## 2. BASIS OF PREPARATION (CONTINUED)

### (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 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and 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.

Included in other payables and accrued expenses (note 13) is an accrual for the incurred amount of collateral and service delivery in respect of secured events. The determination of the accrual is based on the pattern of historical reimbursements relating to secured events.

### (e) NEW STANDARDS ADOPTED

#### Presentation of financial statements

The Company has applied the revised AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial report. Comparatives have been reclassified to achieve consistency with the amounts disclosed in the current financial year.

### (a) FOREIGN CURRENCY

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### (b) FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables and loans and borrowings.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit & loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. 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.

Accounting for finance income and expenses is discussed in note 3(l).

Other non-derivative financial instruments are measured at amortised cost using the effective interest method less any impairment losses.

### (c) PLANT AND EQUIPMENT

#### (i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 July 2009, the company capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

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

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(c) PLANT AND EQUIPMENT (CONTINUED)****(i) Recognition and measurement (continued)**

Gains and losses 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 gains are recognised net within 'other income' in profit or loss.

**(ii) Depreciation/amortisation**

Depreciation/amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

	2010	2009
Plant and Equipment	3 – 5 years	3 – 5 years
Leasehold Improvements	3 – 5 years	3 – 5 years
Leased Plant	5 years	5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

**(iii) Subsequent costs**

The Company recognises in the carrying amount of an item of plant and equipment the cost of replacing a part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. The carrying cost of the replaced part is derecognised. The cost of the day-to-day servicing of plant and equipment is recognised in the income statement as an expense as incurred.

**(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**

Intangible assets consist of computer software. These intangible assets are deemed to have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets since this most closely reflects the expected pattern of consumption of the future benefits embodied in the assets. The estimated useful lives for the current and prior financial period is:

	2010	2009
Computer software	2 – 3 years	2 – 3 years

Amortisation methods, useful lives and residual values are reassessed at the reporting date.

**(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. The leased assets are not recognised on the Company's statement of financial position.

**(f) IMPAIRMENT****(i) Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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 original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in 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.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is assessed as the depreciated replacement cost of the asset.

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 carrying amount that would have been 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.



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (g) EMPLOYEE BENEFITS (CONTINUED)

##### (ii) Short term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers' compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as cars, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

A liability is recognised for the amount expected to be paid under short-term cash bonuses 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.

##### (iii) 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. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the reporting date which have maturity dates approximating the terms of the Company's obligations.

#### (h) 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.

#### (i) 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.

#### (j) 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.

#### (k) 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.

#### (l) FINANCE INCOME AND EXPENSES

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

Finance expenses comprise interest expense on finance leases. All finance expenses are recognised in profit or loss using the effective interest method.

#### (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 in the statement of cash flows on a gross basis. The GST components 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) SEGMENT REPORTING

The company operates in one industry and geographic segment, being the provision of convention and destination marketing for Victoria, Australia.

#### (o) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The following standards, amendments to standards and interpretations have been identified as those which may impact the Company in the period of initial application.

They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 will become mandatory for the Company's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Company has not yet determined the potential effect of the standard.
- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for the Company's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (o) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Company's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.
- AASB 1053 *Application of Tiers of Australian Accounting Standards* establishes a differential financial reporting framework, which consists of two tiers of reporting requirements for reporting entities preparing general purpose financial statements (GPFs):
  - Tier 1: Australian Accounting Standards (full IFRS recognition, measurement and disclosure)
  - Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements (full recognition and measurement but reduced disclosure).
- AASB 2010-02 *Amendments to Australian Accounting Standards* arising from Reduced Disclosure Requirements reduces the disclosures in most Australian Accounting Standards, including interpretations, for Tier 2 entities.

The standards apply to annual reporting periods beginning on or after 1 July 2013, but may be early adopted for annual reporting periods that begin on or after 1 July 2009.

### 4. FINANCIAL RISK MANAGEMENT

#### Overview

The Company has exposure to the following risks from its usage of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Board's and Risk Committee's policy is for the Company to maintain a strong financial position and liquidity to ensure it can execute its strategic plans and meet its on-going operational commitments.

#### Credit risk

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

#### Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the characteristic of each customer. The demographics of the Company's customer base has less of an influence on credit risk. Approximately 72% (2009: 73%) of the Company's revenue is derived from contracted funding from the State Government and the City of Melbourne. The remaining revenue is spread across 265 (2009: 291) customers and of these 245 (2009: 267) customers are geographically located in Melbourne or regional Victoria.

More than 81 percent (2009: 95 percent) of the Company's customers are members of the Company and losses have occurred infrequently.

The Company has established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables and relates to individually significant exposures.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

#### Currency risk

The Company is exposed to currency risk on purchases that are denominated in a currency other than the Australian dollar. The currencies in which these transactions primarily denominated are USD, Euro, Singapore dollar and Hong Kong dollar.

In respect of other monetary assets, the Company ensures that its net exposure is kept to an acceptable level by minimising foreign currency holdings.

#### Interest rate risk

The Company's only borrowings are related to the five year finance lease of two printers, at a fixed rate of interest. Changes in interest rates affect the interest income earned on cash assets and the Company manages this exposure by continuously monitoring the rates of interest earned on cash deposits held with secure financial institutions.

**5. REVENUE**

	<b>2010</b>	<b>2009</b>
	\$	\$
State Government funding - MCET	5,700,000	5,700,000
State Government funding - DIIRD	1,625,000	1,575,000
City of Melbourne funding	970,000	925,000
Industry co-operative revenue	1,432,513	1,251,475
Member revenue	851,697	830,255
Advertising sales revenue	369,928	329,685
In-kind co-operative revenue	476,580	642,166
	<b>11,425,718</b>	<b>11,253,581</b>

**6. PERSONNEL EXPENSES**

	<b>2010</b>	<b>2009</b>
	\$	\$
Wages and salaries	3,237,042	2,916,309
Contributions to defined contribution superannuation funds	283,804	242,534
Payroll taxes and workers' compensation insurance	140,705	124,135
Increase in liability for annual leave	58,120	6,253
Increase in liability for long service leave	29,589	13,016
	<b>3,749,260</b>	<b>3,302,247</b>

**7. AUDITORS' REMUNERATION**

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Audit services</b>		
Auditors of the company		
KPMG Australia		
Audit and review of financial reports	30,700	29,800
<b>Other services</b>		
Auditors of the company		
KPMG Australia		
Other assurance services - current year	11,815	9,800
Other assurance services - prior year	4,070	-
	<b>46,585</b>	<b>39,600</b>

**8. FINANCE INCOME AND EXPENSE**

	<b>2010</b>	<b>2009</b>
	\$	\$
Interest income on bank deposits	78,982	94,242
<b>Finance income</b>	<b>78,982</b>	<b>94,242</b>
Interest expense on financial liabilities	(2,816)	(208)
<b>Finance expense</b>	<b>(2,816)</b>	<b>(208)</b>
<b>Net finance income</b>	<b>76,166</b>	<b>94,034</b>



**8. CASH AND CASH EQUIVALENTS**

	<b>2010</b>	<b>2009</b>
	\$	\$
Bank balances	3,248,926	3,058,936
Cash on hand	4,278	3,887
	<b>3,253,204</b>	<b>3,062,823</b>

**9. TRADE AND OTHER RECEIVABLES**

	<b>2010</b>	<b>2009</b>
	\$	\$
Trade receivables	512,138	27,138
Other receivables and prepayments	376,453	159,462
	<b>888,591</b>	<b>186,600</b>

**11. PLANT AND EQUIPMENT**

	<b>Leasehold Improvements</b>	<b>Plant and Equipment</b>	<b>Leased Plant</b>	<b>Under Construction</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Cost</b>					
Balance at 1 July 2008	78,028	267,389	-	-	345,417
Acquisitions	-	73,518	96,122	29,871	199,511
Disposals	-	(37,966)	-	-	(37,966)
<b>Balance at 30 June 2009</b>	<b>78,028</b>	<b>302,941</b>	<b>96,122</b>	<b>29,871</b>	<b>506,962</b>
Balance at 1 July 2009	78,028	302,941	96,122	29,871	506,962
Acquisitions	403,475	209,878	-	-	613,353
Disposals	(72,986)	(53,691)	-	(29,871)	(156,548)
<b>Balance at 30 June 2010</b>	<b>408,517</b>	<b>459,128</b>	<b>96,122</b>	<b>-</b>	<b>963,767</b>
<b>Depreciation and amortisation</b>					
Balance at 1 July 2008	57,699	162,600	-	-	220,299
Depreciation	17,701	59,366	11,214	-	88,281
Disposals	-	(37,966)	-	-	(37,966)
<b>Balance at 30 June 2009</b>	<b>75,400</b>	<b>184,000</b>	<b>11,214</b>	<b>-</b>	<b>270,614</b>
Balance at 1 July 2009	75,400	184,000	11,214	-	270,614
Depreciation	39,876	99,902	19,224	-	159,002
Disposals	(72,986)	(53,691)	-	-	(126,677)
<b>Balance at 30 June 2010</b>	<b>42,290</b>	<b>230,211</b>	<b>30,438</b>	<b>-</b>	<b>302,939</b>
<b>Carrying amounts</b>					
At 1 July 2008	20,329	104,789	-	-	125,118
<b>At 30 June 2009</b>	<b>2,628</b>	<b>118,941</b>	<b>84,908</b>	<b>29,871</b>	<b>236,348</b>
At 1 July 2009	2,628	118,941	84,908	29,871	236,348
<b>At 30 June 2010</b>	<b>366,227</b>	<b>228,917</b>	<b>65,684</b>	<b>-</b>	<b>660,828</b>

<b>12. INTANGIBLES</b>	<b>Computer Software</b>	<b>Total</b>
	\$	\$
<b>Cost</b>		
Balance at 1 July 2008	35,824	35,824
Acquisitions	39,630	39,630
Disposals	(2,688)	(2,688)
<b>Balance at 30 June 2009</b>	<b>72,766</b>	<b>72,766</b>
Balance at 1 July 2009	72,766	72,766
Acquisitions	1,131	1,131
Disposals	-	-
<b>Balance at 30 June 2010</b>	<b>73,897</b>	<b>73,897</b>
<b>Depreciation and amortisation</b>		
Balance at 1 July 2008	22,263	22,263
Amortisation	11,592	11,592
Disposals	(2,688)	(2,688)
<b>Balance at 30 June 2009</b>	<b>31,167</b>	<b>31,167</b>
Balance at 1 July 2009	31,167	31,167
Amortisation	16,454	16,454
Disposals	-	-
<b>Balance at 30 June 2010</b>	<b>47,621</b>	<b>47,621</b>
<b>Carrying amounts</b>		
At 1 July 2008	13,561	13,561
<b>At 30 June 2009</b>	<b>41,599</b>	<b>41,599</b>
At 1 July 2009	41,599	41,599
<b>At 30 June 2010</b>	<b>26,276</b>	<b>26,276</b>

<b>13. TRADE AND OTHER PAYABLES</b>	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Current</b>		
Trade payables	541,636	549,993
Income in advance	88,963	77,480
Other payables and accrued expenses	1,550,555	738,089
	<b>2,181,154</b>	<b>1,365,562</b>

The company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 17.

**14. BORROWINGS**

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Current</b>		
Current portion of finance lease liabilities	20,504	21,478
	<b>20,504</b>	<b>21,478</b>
<b>Non-current</b>		
Finance lease liabilities	43,008	63,512
	<b>43,008</b>	<b>63,512</b>
	<b>63,512</b>	<b>84,990</b>

Finance lease liabilities of the Company are payable as follows:

	<b>Future minimum lease payments</b>	<b>Interest</b>	<b>Present value of minimum lease payments</b>	<b>Future minimum lease payments</b>	<b>Interest</b>	<b>Present value of minimum lease payments</b>
	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
Less than one year	22,680	2,176	20,504	22,680	1,202	21,478
Between one and five years	51,030	8,022	43,008	73,710	10,198	63,512
More than five years	-	-	-	-	-	-

**15. EMPLOYEE BENEFITS**

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Current</b>		
Liability for annual leave	234,510	176,390
Liability for long service leave	13,311	12,049
Accrued superannuation	25,802	20,727
Employee bonus liability	138,372	136,277
	<b>411,995</b>	<b>345,443</b>
<b>Non-current</b>		
Liability for long service leave	56,329	28,002
	<b>56,329</b>	<b>28,002</b>
	<b>468,324</b>	<b>373,445</b>

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

**16. PROVISIONS**

	<b>Lease Incentive</b>	<b>Leasehold Make Good</b>	<b>Total</b>
	\$	\$	\$
Balance at 1 July 2009	17,857	-	17,857
Provisions made during the period	79,914	109,207	189,121
Provisions used during the period	-	-	-
Provisions reversed during the period	-	-	-
Unwind of discount	-	-	-
<b>Balance at 30 June 2010</b>	<b>97,771</b>	<b>109,217</b>	<b>206,978</b>
Non-current	97,771	109,217	206,978
Current	-	-	-
	<b>97,771</b>	<b>109,217</b>	<b>206,978</b>



**16. PROVISIONS (CONTINUED)****Leasehold Make Good**

A provision of \$109,207 was made during the year ended 30 June 2010 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(k).

**17. FINANCIAL INSTRUMENTS****Exposure to credit risk**

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Notes	Carrying amount 2010 \$	Carrying amount 2009 \$
Cash and cash equivalents	9	3,253,204	3,062,823
Trade and other receivables	10	553,673	61,591
		<b>3,806,877</b>	<b>3,124,414</b>

The Company's maximum exposure to credit risk for receivables at the reporting date by geographic region was \$553,673 (2009: \$61,591) for Australia.

The Company's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amount 2010 \$	Carrying amount 2009 \$
Members	453,827	22,360
Other customers	99,846	39,231
	<b>555,673</b>	<b>61,591</b>

**Impairment losses**

The aging of the Company's trading receivables at the reporting date was:

	Gross 2010 \$	Impairment 2010 \$	Gross 2009 \$	Impairment 2009 \$
Not past due	532,763	85	35,626	-
Past due 0- 30 days	59	59	-	-
Past due 31-60 days	3,293	174	-	-
Past due 61-90 days	809	809	4,166	-
Past due more than 90 days	26,954	9,078	28,251	6,452

An impairment allowance has been made for four customers. Based on historic default rates and credit history of its customers, the Company believes that no impairment allowance is necessary in respect of any other trade receivables.

**Liquidity risk**

The following are the contractual maturities of financial liabilities:

30 June	Note	Carrying Amount	Contractual cash flows	6 mths or less	6 – 12 mths	1-2 yrs
2010 Trade and other payables	13	2,092,191	(2,092,191)	2,092,191	-	-
2009 Trade and other payables	13	1,288,082	(1,288,082)	1,288,082	-	-

**17. FINANCIAL INSTRUMENTS (CONTINUED)****Currency risk**

Exposure to currency risk

The Company's exposure to currency risk at balance date was as follows, based on notional amounts:

In AUD	SGD 30 June 2010	HKD 30 June 2010	SGD 30 June 2009	HKD 30 June 2009
Cash and cash equivalents	2,903	1,589	3,193	1,077
<b>Gross Balance sheet exposure</b>	<b>2,903</b>	<b>1,589</b>	<b>3,193</b>	<b>1,077</b>

The following significant exchange rates applied during the year:

AUD	Average Rate 2010	Average Rate 2009	Reporting Date Spot Rate 2010	Reporting Date Spot Rate 2009
USD	0.8710	0.7442	0.8238	0.7958
EUR	0.6303	0.5402	0.6721	0.5605
SGD	1.2098	1.0867	1.1290	1.1310
HKD	6.6787	5.7778	6.3000	6.0600
GBP	0.5506	0.4712	0.5451	0.4769

**Sensitivity analysis**

A 10 percent strengthening of the Australian dollar against the following currencies at 30 June would have increased equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2009.

AUD	Surplus or deficit 30 June 2010	Surplus or deficit 30 June 2009
SGD	290	319
HKD	159	108

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had a materially equivalent opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**Interest rate risk****Profile**

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount 2010 \$	Carrying amount 2009 \$
Variable rate instruments		
Financial assets – interest bearing	3,246,775	3,056,264
	<b>3,246,775</b>	<b>3,056,264</b>

**17. FINANCIAL INSTRUMENTS (CONTINUED)****Interest rate risk (continued)****Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) surplus or deficit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2009.

	Surplus or deficit			
	100bp increase 30 June 2010	100bp decrease 30 June 2010	100bp increase 30 June 2009	100bp decrease 30 June 2009
Cash and cash equivalents	32,468	(32,468)	30,563	(30,563)

**Fair values****Fair values versus carrying amounts**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Carrying Amount 30 June 2010	Fair value 30 June 2010	Carrying Amount 30 June 2009	Fair value 30 June 2009
Cash and cash equivalents	3,253,204	3,253,204	3,062,823	3,062,823
Trade and other receivables	553,673	553,673	61,591	61,591
Trade and other payables	(2,189,962)	(2,189,962)	(1,305,939)	(1,305,939)

**18. COMMITMENTS****Lease commitments**

Non-cancellable operating lease rentals are payable as follows:

	2010 \$	2009 \$
Less than one year	338,959	338,562
Between one and five years	1,391,611	1,389,856
More than five years	178,788	537,721
	<b>1,909,358</b>	<b>2,266,139</b>

The Company leases office premises in Southbank, Melbourne on commercial terms; this lease expires in December 2015.

**19. CONTINGENT LIABILITIES****Expenditure commitments**

The Company has commitments of \$3,161,416 (2009: \$2,850,782) for collateral and services delivery for fifty four (2009: forty four) events taking place in the next six (2009: five) 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.



**20. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES**

	Notes	2010	2009
		\$	\$
<b>Cash flows from operating activities</b>			
Net result for the year		223,415	552,509
Gain on sale of plant and equipment		(425)	(450)
Depreciation	11	159,002	88,281
Amortisation	12	16,454	11,592
Finance expense		2,816	208
<b>Operating result before changes in working capital and provisions</b>		<b>401,262</b>	<b>652,140</b>
<b>Changes to assets and liabilities</b>			
(Increase)/decrease in trade and other receivables		(701,991)	50,165
Increase in trade and other payables		895,506	517,133
Increase in employee benefits		94,879	14,406
<b>Net cash from/(used in) operating activities</b>		<b>689,656</b>	<b>1,233,844</b>

**21. RELATED PARTIES****(a) Key management personnel disclosure**

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non Executive Directors	Executives	
<ul style="list-style-type: none"> <li>▪ Christopher C Barlow</li> <li>▪ Leigh Harry</li> <li>▪ Dr Kathy Alexander</li> <li>▪ Kate Brennan</li> <li>▪ Julian Clark</li> <li>▪ David G Courtney</li> <li>▪ John D Davies</li> <li>▪ Peter A Fitzgerald</li> <li>▪ Kenneth J Ryan</li> <li>▪ Darryl L Washington</li> <li>▪ Christopher B Woodruff</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sandra Chipchase</li> <li>▪ Hayley Blumenthal</li> <li>▪ Dr Carla Chinni</li> <li>▪ Keith Herdman</li> <li>▪ Edwina San</li> <li>▪ Tim Sullivan</li> <li>▪ Julia Swanson</li> </ul>	<ul style="list-style-type: none"> <li>Chief Executive Officer</li> <li>Director, Marketing &amp; Communications</li> <li>Director, Business Development</li> <li>General Manager, Corporate Services</li> <li>Director, International Incentives</li> <li>General Manager, Convention Servicing and Government Partnerships</li> <li>Director, Convention Sales, appointed 6 May 2010</li> </ul>

The key management personnel compensation included in "personnel expense" (see note 6) are as follows:

	2010	2009
Short term employee benefits	1,265,256	1,200,359

Key management personnel compensation includes the payment of Director's Fees to Christopher B Barlow of \$25,000 (2009: \$25,000).

## 21. RELATED PARTIES (CONTINUED)

### (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.

The aggregate amounts recognised during the year relating to other parties were as follows:

Key Management person related parties	Transaction	Note	Transaction value year ended 30 June		Balance outstanding as at 30 June	
			2010	2009	2010	2009
Mr. L. Harry – Melbourne Convention and Exhibition Trust	Revenue - state government funding	(i)	5,700,000	5,700,000	-	-
	Revenue – member, advertising, sales and marketing		101,097	42,263	11,705	-
	Expenditure – sales and marketing		98,660	2,380	(524)	-
Dr. K. Alexander – City of Melbourne	Revenue – City of Melbourne funding	(ii)	970,000	925,000	-	-
	Revenue – sales and marketing		17,855	10,000	13,371	-
Ms. K. Brennan – Federation Square	Revenue – member and marketing	(iii)	13,841	18,230	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. K. Ryan – Qantas Airways	Revenue – member and advertising sales	(iv)	123,146	76,089	-	-
	Expenditure – sales and marketing		46,340	76,089	-	-
Mr. D. G. Courtney – Crown Limited	Revenue – member and advertising sales	(v)	137,352	141,983	-	-
	Expenditure – sales and marketing		42,166	20,864	(874)	-
Mr J. Clark – The Lancemore Group	Revenue - member and advertising sales	(vi)	4,017	-	-	-
	Expenditure – sales and marketing		3,904	-	-	-
Mr. H. Ronaldson – Department of Innovation, Industry and Regional Development	Revenue – state government funding	(vii)	-	1,575,000	-	-
	Expenditure – sales and marketing		-	47,146	-	-
Mr. D. Washington- Australian Hotels Association	Revenue – member sales	(viii)	1,227	1,227	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. C. Woodruff - Australian Pacific Airports Corporation	Revenue – member sales	(ix)	18,182	18,182	-	-
Mr. J. Davies – Ernst & Young	Expenditure	(x)	19,900	-	-	-

- (i) The Company established a five year contract commencing 1 July 2009 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. L. Harry is the Chief Executive Officer of MCET. The total contract value is \$28,500,000. In addition the Company has paid MCET for sales and marketing activities.

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

- (ii) The Company established a five year and ten month contract commencing 30 September 2008 with City of Melbourne for the provision of funding to the Company for marketing of the Melbourne Convention and Exhibition Centre. Dr. K. Alexander is the Chief Executive Officer of the City of Melbourne. The total contract value is \$5,425,000, payable on a quarterly basis for the duration of the contract.
- (iii) Federation Square pays the standard membership fee. Ms K. Brennan is the Chief Executive Officer of Federation Square.
- (iv) Qantas Airways pays the standard membership fee for major partners. Mr. K. Ryan is the Regional General Manager Victoria of Qantas Airways. In addition the Company has paid Qantas for sales and marketing activities.
- (v) Crown Limited pays the standard membership fee for strategic partner. Mr. D. G. Courtney is a Director of Crown Limited. In addition the Company has paid Crown Limited for sales and marketing activities.
- (vi) The Lancemore Group pays the standard membership fee. Mr. J Clark is CEO of The Lancemore Group. In addition the Company has paid The Lancemore Group for sales and marketing activities.
- (vii) The Company established a five year contract commencing 1 July 2009 with the Minister for Tourism, on behalf of the Victorian Government, and administered by the Department of Innovation, Industry and Regional Development (DIIRD) for the provision of funding to the Company to promote Melbourne as a business events destination. Mr H Ronaldson is the current Secretary of DIIRD. The total contract value is \$8,000,000. In addition the Company has paid DIIRD for sales and marketing activities. Mr Ronaldson resigned as a director of the Company on 5 August 2008.
- (viii) Australian Hotels Association pays the standard membership fee. Mr D Washington is General Manager - Accommodation Division, Australian Hotels Association (Vic), Australian Hotels Association.
- (ix) Australian Pacific Airports Corporation pays the standard membership fee for major partners. Mr. C. Woodruff is the Chief Executive Officer and Managing Director of Australian Pacific Airports Corporation.
- (x) The company engaged Dr D Cochrane, a partner of Ernst & Young, as a consultant to assist in developing a strategic business case. The total consulting fee is \$39,800. Mr J Davies is also a partner of Ernst & Young.

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

	2010 \$	2009 \$
<b>Current receivables</b>	<b>25,076</b>	-
Trade debtors	-	-
Less: Impairment loss	25,076	-
<b>Current Payables</b>	<b>1,398</b>	-



## DIRECTORS' DECLARATION

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

- (a) the financial statements and notes, set out on pages 33 to 48, 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 2010 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 30th day of August 2010.



**Chris Barlow**, Director



**John Davies**, Director



*Independence*

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

*Auditor's opinion*

In our opinion:

(a) the financial report of Melbourne Convention and Visitors Bureau Ltd is 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 2010 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

KPMG

KPMG

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

Tony Batsakis  
*Partner*

Melbourne

30 August 2010



## **Independent auditor's report to the members of Melbourne Convention and Visitors Bureau Ltd**

### **Report on the financial report**

We have audited the accompanying financial report of Melbourne Convention and Visitors Bureau Ltd (the Company), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 21 and the directors' declaration.

#### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control 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; and making accounting estimates that are reasonable in the circumstances.

#### *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 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 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 (including the Australian Accounting Interpretations), a 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.





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

To: the directors of Melbourne Convention and Visitors Bureau Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2010 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

ATAS

Tony Batsakis  
Partner

Melbourne

30 August 2010





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