

ANNUAL REPORT 2011



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MELBOURNE CONVENTION + VISITORS BUREAU'S STRATEGIC PARTNERS



CROWN METROPOL



MINISTER'S MESSAGE



It has been an impressive year of achievement for the business events industry in Victoria. Although still weathering the storm of the Global Financial Crisis, our industry has continued to go from strength to strength, making my first year back as Minister for Tourism and Major Events a memorable one indeed.

During my time as Minister, the Melbourne Convention + Visitors Bureau (MCVB) has secured some of the world's most prestigious business events including the 23rd World Cancer Congress 2014 for 2,000 delegates and the World Congress of Cardiology 2014 for 9,000 delegates.

I was also delighted to be able to personally assist MCVB in their bid to secure the Amway India Leadership Seminar for more than 4,400 delegates, which is the largest Indian incentive group in Australia's history.

Our state's reputation for delivering successful business events is derived from Melbourne's impressive infrastructure, including conference facilities and accommodation options, an unrivalled major events calendar, unique attractions and an impressive track record of success.

The multi-award winning Melbourne Convention and Exhibition Centre (MCEC), is the world's first and only 'Six Star Green Star' environmentally-rated convention centre and constantly strives to build on its innovations.

For example, in December, the MCEC launched an e-book menu planner for clients and became the first convention and exhibition centre in Australia to offer free wireless internet access. In another Australian-first, the MCEC installed GrandMA2 Ultralight, a versatile lighting system which greatly increases the flexibility of its event spaces.

It is this spirit of innovation and our city's ability to consistently meet clients' needs that has assisted MCVB in securing a total of 27 international and five national convention bid wins for the MCEC in the last financial year alone.

These events are expected to deliver 44,925 delegates and generate more than AUD \$212 million for the state economy over the coming years.

The last financial year saw a number of new event spaces open in Melbourne and regional Victoria, including the iconic Mural Hall, located on the top floor of the refurbished Myer development in Bourke Street and The Pier Geelong; Geelong's largest, purpose-built function centre. Furthermore, renovations to the Grand Hyatt Melbourne are due to be completed in September, while a new conference facility is also under construction at Melbourne Zoo.

I would like to congratulate MCVB and their members, who are the state's leading business events suppliers, on an outstanding year. I would also like to thank MCVB's outgoing Chief Executive Officer (CEO) Sandra Chipchase for her tremendous contribution. Under Sandra's leadership, Melbourne's international profile was significantly strengthened by securing events which not only brought, and will bring, large numbers of delegates to the state, but also enhanced Melbourne's credentials as a business and scientific hub. Sandra's dedication and commitment were exemplary and have placed Melbourne in a strong position to continue to grow our business events industry.

Business events are the cornerstone of the Victorian tourism industry and the State, Government is pleased to support MCVB in its ongoing work to build on its success and continue Melbourne's reign as Australia's business events capital.

A stylized, handwritten signature in dark ink, consisting of a large, flowing 'L' and 'A'.

THE HON LOUISE ASHER MLA

Minister for Tourism & Major Events

Minister for Innovation, Services &
Small Business

CHAIRMAN'S MESSAGE

I am delighted to report that the 2010/11 financial year (FY10/11) saw MCVB deliver its best results for six years in terms of economic impact for Victoria, and the number of business events and delegates secured for the state – it was an outstanding achievement.

MCVB secured 245 business events (ie won and/or assisted), an increase of 37% from FY09/10. These events are expected to deliver 92,236 delegates to Melbourne in the coming years, an increase of 28% from FY09/10, and generate in excess of AUD \$354 million for the state economy, an increase of 32% from FY09/10.

One of these many victories was the World Congress of Cardiology, which is one of the largest and most prestigious medical conferences in the world. The four-day Congress will be held in Melbourne in 2014 attracting more than 9,000 cardiologists and other health care professionals.

In another major coup for Victoria, MCVB secured the International Congress of Immunology 2016 for more than 5,000 delegates.

MCVB's international presence continues to evolve. In July 2010, MCVB opened an office in Shanghai to capitalise on the strong growth of the China market.

Similarly, to capitalise on business opportunities out of Europe, MCVB with our partner the MCEC, established a joint office in London. I would like to pay tribute to Janet Sealy Partnership who gave 19 years of excellent service as our UK/Europe representation office.

MCVB's expertise was once again acknowledged at the national Meetings and Events Australia (MEA) Awards in April, where the organisation was inducted into the prestigious Hall of Fame for taking out the 'Metropolitan Destination Marketing Organisation' award, and, together with Reed Travel Exhibitions (RTE), 'Exhibition of the Year', for the 2010 Asia-Pacific Incentives & Meetings Expo (AIME) for the third consecutive year.

MCVB's commitment to sustainability and green initiatives was also recognised with the 'Corporate Social Responsibility' (for over 30 employees) award.

Furthermore, MCVB was acknowledged at state level, receiving the 'Meetings and Business Tourism' Award at the 2010 RACV Victorian Tourism Awards.

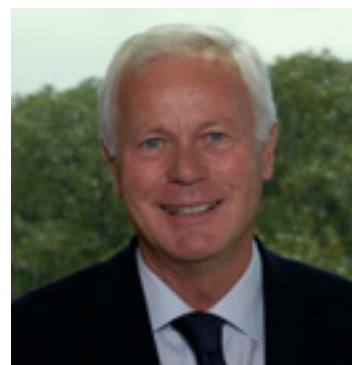
On another note, it was with regret that I accepted the resignation of MCVB's CEO, Sandra Chipchase in July 2011. Sandra gave us more than five years of exceptional service and during her tenure achieved some outstanding results for Melbourne. Sandra's achievements and dedication to the business events industry were acknowledged in April 2011 with the MEA national award for 'Outstanding Contribution to Industry'.

On behalf of the Board, I thank Sandra for her tremendous contribution to Melbourne and Victoria over the last five years and congratulate her on leading the MCVB team to an exceptional, record year of results in FY10/11.

I would also like to thank the State Government of Victoria for their ongoing support of the Bureau and look forward to what I hope will be yet another record-breaking year ahead.



Chris Barlow
Chairman



CEO'S REPORT



FY10/11 has been one of the most productive and successful in MCVB's history. It was a year that saw groundbreaking innovations in digital technology, the securing of some of the largest and most prestigious global meetings, office expansion in both Europe and China, the delivery of what has been acknowledged as the best AIME to date, increased sales leads and business opportunities for our members and landmark research in our quest to understand delegate decision making behaviour and to quantify the "beyond tourism" benefits of business events.

Two highlights in our bid wins for the year were the World Congress of Cardiology, for more than 9,000 delegates, the second largest medical meeting ever held in Melbourne and the Amway India Leadership Seminar for more than 4,400 delegates - a huge coup for MCVB and Melbourne. This will be the first time the Amway India event has ever been held in Australia and Melbourne beat interstate and international competitors to secure this event.

Another key focus of activity has been the implementation of our China strategy including the opening of a new office in Shanghai to capitalise on our long term investment and involvement in the China outbound market. More than 670 sales calls to key travel trade and corporate end users throughout China and 11 sales missions were undertaken in FY10/11.

Our international offices and representatives in Asia, North America and Europe have continued their focus on ensuring key decision makers have the latest information on our members' products and services and that Melbourne is a consideration when choosing international incentive and convention destinations. Increased numbers of familiarisation programs for key corporate decision makers and association buyers were also conducted by MCVB throughout the year.

To further streamline operations and increase MCVB's ability to respond and react to bid opportunities, MCVB's Business Development and Convention Sales departments were merged; the positive impact is evidenced in the results achieved this year.

Our digital marketing strategy delivered a major competitive advantage for Melbourne with the launch of a world first, Business Events Marketing e-Kit and an 'Augmented Reality' promotional product aimed at the international incentive market.

The Business Events Marketing e-Kit is a suite of five 'white label' online and mobile products including a Smartphone App and Tablet App, both developed with live data feed from the City of Melbourne website and content from the MCEC, a personalised 'My Melbourne' online delegate boosting tool designed to drive delegate numbers, an Electronic Direct Marketing system (EDM) and a Widget, which embeds Melbourne destination information and promotional footage into conference and association websites.

Melbourne's Business Events Marketing e-Kit is assisting MCVB in winning bids for international events, and professional conference organisers and associations are using the tools to encourage delegates to register early for conferences and to undertake pre and post touring in regional Victoria.

MCVB utilised Augmented Reality technology in an invitation to the 2011 AIME Welcome Reception.

The Augmented Reality incentive product, which is a mix of 3D visual images and special effects, was launched at AIME 2011 and a Mandarin language version was launched at the IMEX trade show in May 2011.

AIME 2011 continued its reign as the premier incentives and meetings event in the Asia-Pacific, attracting 3,420 visitors, a 10% increase from 2010. The 'flashmob' at the AIME Welcome Reception at St Kilda Beach reinforced Melbourne's innovative flair and diversity in special event locations and entertainment.

The innovations, successful collaborations and achievements the MCVB team has delivered in FY10/11 are detailed in the following pages. For example, the Bureau's Melbourne Meetings + Events Service (MM+ES) was able to increase sales leads for our members by 45% over the previous financial year.

In my last Annual Report to you as CEO of MCVB, I would like to take this opportunity to acknowledge the outstanding dedication of the MCVB staff and representatives I have had the privilege to work with during the last five plus years.

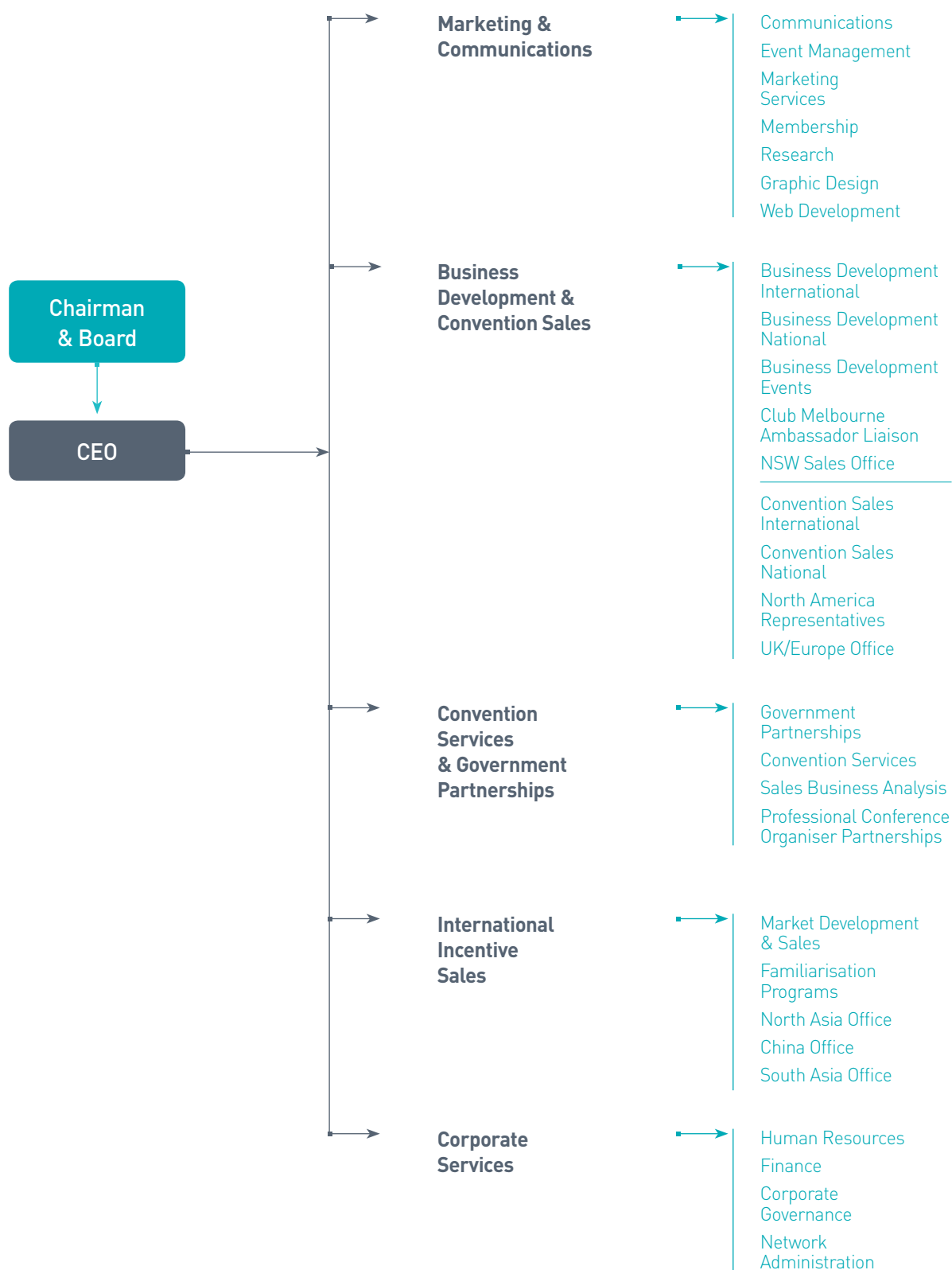
I would also like to thank the State Government of Victoria, the City of Melbourne, the wonderful team at the MCEC, our strategic partners and our members for the support and inspiration they have given me and the organisation during my time at the helm.

Melbourne has truly evolved as a world class business events destination and I believe MCVB has built a platform which has revolutionised the business events industry in Victoria. I am sure the organisation will go from strength to strength and continue to deliver outstanding results for Melbourne and Australia for many years to come.

A handwritten signature in black ink, appearing to read 'Sandra Chipchase'. The signature is fluid and cursive, with a large, stylized 'S' at the beginning.

Sandra Chipchase
Chief Executive Officer

ORGANISATION CHART



THE YEAR IN FOCUS

\$354m

ECONOMIC IMPACT OF BUSINESS
EVENTS SECURED BY MCVB

92,236

EXPECTED NUMBER OF DELEGATES
RESULTING FROM BUSINESS
EVENTS SECURED BY MCVB

HIGHLIGHTS AND ACHIEVEMENTS

Record Results

MCVB delivered its best results for six years, securing 245 business events (i.e. won and/or assisted), expected to deliver 92,236 delegates to Melbourne in the coming years and generating in excess of \$354 million for the state economy.

Significant Bid Wins

Key international wins for FY10/11 included the World Congress of Cardiology 2014, 9,000 delegates, generating more than \$36 million in economic impact, the International Congress of Immunology 2016, 5,000 delegates, generating more than \$30 million in economic impact and the Amway India Leadership Seminar, 4,400 delegates, generating an economic impact of more than \$23 million.

Awarded Australia's Best

MCVB was inducted into the prestigious MEA Hall of Fame for winning the national 'Metropolitan Destination Marketing Organisation' award for three consecutive years. AIME was also inducted into the MEA Hall of Fame in the category of 'Exhibition of the Year'. MCVB was also recognised at national level at the MEA Awards in the category of 'Corporate Social Responsibility' and won the 'Meetings and Business Tourism' award at the 2010 RACV Victorian Tourism Awards.



Increased Opportunities Identified

Sales leads from the Business Development team developed to convention bid stage were up by 19% from FY09/10, while the number of new leads generated increased by 72% from the previous year.

Generating Business for Members

MCVB's MM+ES, which is a free service for meetings and event planners providing information on members' products and services, facilitated business worth more than \$33 million for Victoria, an increase of 43% from FY09/10.

Publicity

MCVB generated more than \$2.3 million in PR value of world-wide media coverage for Melbourne and regional Victoria, reaching an audience of more than 19.5 million people.

Trade Show Success

AIME 2011 saw a record 3,420 visitors attend, an increase of 10% on 2010. Business valued at more than US\$371 million is expected to be booked as a result of the 2011 event.

INNOVATION

Business Events Marketing e-Kit

MCVB produced the world's first Business Events Marketing e-Kit; a suite of five free 'white label' online and mobile products - including a Smartphone App, Tablet App, personalised 'My Melbourne' online delegate boosting tool, an EDM system and Widget - that any large international business event being held at the MCEC can rebrand with their own logo and content and utilise to boost delegate numbers.

Augmented Reality

MCVB's first foray into utilising 'Augmented Reality' technology was for the invitation to the official AIME 2011 Welcome Reception held at the St Kilda Sea Baths. The invitation used virtual computer-generated imagery to create a 3D visual effect when recipients held it up to their web camera. The invitation was viewed by more than 980 delegates. MCVB is also using Augmented Reality to motivate and inspire potential international incentive travel delegates.

Flashmob

At the AIME 2011 Welcome Reception, MCVB became the first convention and visitors bureau in the world to use a 'flashmob' to entertain guests and emphasise a core business events message. Dancers entertained more than two thousand guests on a perfect summer's night on the beach outside the St Kilda Sea Baths, before a stunning finale that reinforced Melbourne's status as Australia's business events capital. The dance routine was loaded onto YouTube and achieved 2,000 hits within the first few days.

Use of Braille for Research

MCVB piloted the initiative in Kuala Lumpur in February 2010 at the 'Vision Rehabilitation - Towards Better Vision' Conference, which focused on new developments in research and rehabilitation for those with low vision. The groundbreaking survey saw questionnaires distributed in 10 versions of Braille, as well as in large print, to more than 500 attendees, many of whom were vision impaired. From this, MCVB was able to glean valuable information on how to target vision impaired delegates and boost numbers at the event when it is staged in Melbourne in 2014.

CSR AND SUSTAINABILITY

MCVB Event Carbon Calculator

In August 2009, MCVB officially launched this online tool. Powered by the Carbon Reduction Institute, it calculates the carbon emissions of events held in Melbourne and regional Victoria and offers advice on offsetting these. In FY10/11, the site was visited by viewers in 42 countries/territories.

Melbourne's 'Green Credentials' Report

An Australian bureau first, the Report, which identifies business events suppliers' green initiatives, was launched in 2008 and is now updated online annually. The 2011 Report saw a 6% increase in participating businesses, with major improvements including 100% of participants having implemented paper reduction procedures by communicating electronically; a 78% increase on the previous Report, and 100% of participants having a recycling program in place for paper, glass, bottles and print cartridges; a 12% increase on the previous Report.

Setting Environmental Benchmarks for Events

MCVB runs its events in Australia (including AIME) and abroad as low carbon impact events, working with certified companies, such as Climate Friendly to offset carbon emissions.

Carbon Footprint KPIs

In FY10/11 MCVB continued to monitor measure and report on the carbon footprint of its head office in order to reduce its carbon footprint. Staff are encouraged to reduce paper usage and electricity consumption and to separate waste into organic, recyclable and rubbish waste, reducing the amount of landfill it generates.

CSR Donation Program

MCVB's Corporate Social Responsibility (CSR) donation program sees MCVB offer its guest speakers and clients the option of donating to a Victorian charity or cause of their choice in recognition of their contribution to MCVB. The guest speaker at MCVB's 2010 Annual General Meeting, Olympic and Commonwealth Games champion swimmer, Matt Welsh, selected the Peter MacCallum Cancer Centre as his beneficiary.

Supporting Industry through Events

In FY10/11 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). Events included the Graeme Clark Oration 2011, at which MCVB hosted a table of 10 potential local hosts, and Melbourne's Opera in the Market 2011, which raised funds for St Vincent's Hospital Melbourne.

Supporting Charities

MCVB staff contributed to the Berry Street Children's Charity (which supports Melbourne's under-privileged and 'at risk' children) Wishing Tree Christmas Gift Appeal in 2010 and donated 60 Royal Melbourne Show 2010 family passes. MCVB also supports Berry Street by contributing via a monthly casual clothes day.

MCVB, in conjunction with RTE, undertook a fundraising initiative at AIME 2011 to support the Premier's Disaster Relief Appeal in Queensland and the Victorian Floods Appeal, raising more than \$3,150.

SALES & BUSINESS DEVELOPMENT

\$200m

ECONOMIC IMPACT OF
INTERNATIONAL ASSOCIATION
MEETINGS SECURED BY MCVB

▲ 135%

INCREASE IN NUMBER OF INCENTIVE
AND CORPORATE SALES BUSINESS
EVENTS SECURED



FY10/11 was the most successful in recent years for MCVB which saw it secure 245 business events, expected to deliver 92,236 delegates and generate \$354 million in economic impact for the state economy.

FY10/11 saw the merger of the Business Development and Convention Sales departments to increase MCVB's ability to respond and react to bid opportunities more efficiently and successfully.

Convention Sales

It was a record breaking year for MCVB with increased activity and event acquisition across all sales functions. In total, MCVB won 36 international and eight national association bids. National sales activity generated record results, securing 49,239 room nights, an increase of 32% from FY09/10.

Sales calls, client site inspections, corporate familiarisations and attendance at trade shows throughout the world contributed to MCVB attracting and securing a record number of business events.

BIDDING FOR BUSINESS EVENTS

Wins secured by MCVB in FY10/11 ranged from the 23rd World Cancer Congress 2014 (2,000 delegates) to the Australasian Chambers Business Congress 2012 (1,500 delegates), confirming Melbourne's strength in attracting business events from a diverse range of international interest groups and associations.

Other major bid wins for MCVB included the World Congress of Cardiology 2014, expected to attract in excess of 9,000 delegates and generate more than \$37 million and the International Congress of Immunology 2016, with 5,000 delegates, generating \$30 million for the Victorian state economy.

To date, MCVB has secured 107 major international business events for the MCEC, which opened in June 2009, attracting 175,950 delegates and generating an economic impact of \$926 million.

INTERNATIONAL GROWTH

In the FY10/11, MCVB expanded its presence in international markets with the opening of a Shanghai office in July 2010 and a dedicated London office in December 2010.

These offices are staffed by a Business Development Manager (Shanghai), a Director of Business Development (UK/Europe) and a Business Development Executive (UK/Europe).

INTERNATIONAL FAMILIARISATIONS AND SITE INSPECTIONS

Showcasing Melbourne and regional Victoria as a leading business events destination to key decision makers is an important component of the bidding process. Individual and group site inspections included the MCEC, city hotels, tourism attractions, regional centres, educational institutions, dining establishments, sports and cultural venues and other business events suppliers.

MCVB also facilitated meetings with State Government Ministers, the Lord Mayor of the City of Melbourne and representatives from government agencies.

In FY10/11 MCVB held 37 site inspections to support major national and international bids. Resulting wins included the World Public Relations Forum 2012, the World Congress on Biosensors 2014 and the International Symposium on Professional Innovation Management in 2013. In total, the site visits resulted in six successful bid wins with a number of bid decisions still pending.

TRADE SHOWS AND EVENTS

Building brand and destination awareness is crucial in marketing Melbourne and Victoria as a world-class business event destination. Attending international trade shows is an integral part of this process, and one which generates new leads and working relationships across the world.

MCVB staff and/or representatives attended the following major international trade shows and events: EIBTM (Barcelona), AIME (Melbourne), IMEX (Frankfurt), G'Day USA (Los Angeles, San Francisco and Dallas) and AIBTM (Baltimore). MCVB also participated in the ICCA Asia Pacific Client Supplier Workshop in March 2011 in Taipei, where five major sales opportunities were identified for Melbourne, the ICCA Association Expert Seminar at IMEX in May 2011 and the ICCA Destination Marketing Client Supplier Workshop in Madeira in June 2011, featuring 15 association executives looking for new destinations for their events.

BESTCITIES GLOBAL ALLIANCE

MCVB is a founding member of the BestCities Global Alliance. In FY10/11, MCVB was independently audited and certified by Lloyds Register Quality Assurance in its implementation of a Quality Management System with more than 33 service standards.

MCVB's membership of the BestCities Global Alliance is a key selling point as Melbourne is Australia's only member of the Alliance.

In FY10/11 MCVB attended two BestCities Client Workshops and Forums in Vancouver and Copenhagen and a BestCities client dinner at IMEX in Frankfurt, which combined generated 14 significant leads.

NATIONAL SALES

MCVB added a new position in National Sales due to overwhelming demand from the domestic market seeking venues in Melbourne and regional Victoria. MCVB now provides dedicated sales support for groups over 300 delegates and the additional resources have allowed a more proactive focus on business development for larger association groups. National Sales is also complemented by MM+ES which provides free referrals to meetings and event planners and the public for MCVB's members, for groups and events under 300 delegates.

MCVB's National Sales team generated a record year of results in FY10/11, securing 32 national business event wins for Victoria (up 68% on FY09/10), generating 19,350 delegates (up 122%) and an economic impact of more than \$50 million (up 125%).

In FY10/11, the National Sales team undertook sales calls to the Gold Coast, Sydney and Brisbane resulting in two confirmed business events and several other leads. Sales leads and contacts were also generated through the team's participation in three national trade shows: PCO Trade Show and Conference in Hobart; ABEE in Sydney and the Associations Forum in Melbourne.

The National Sales team held a record 12 familiarisations and site inspections for national event organisers and key decision makers, showcasing more than 30 MCVB members, including hotels, attractions and caterers throughout Melbourne and Victoria, generating six new corporate events (spanning the medical, social welfare, building and conservation industries). It is important that MCVB continues to build relationships with national associations as many significant bid opportunities result from the rapport and contacts established.

Business Development

Innovative strategies and building new relationships to identify new business events leads produced strong results during the year.

GENERATING LEADS

MCVB's Business Development team researches, identifies and qualifies new business leads through database interrogation, liaising with BestCities Global Alliance partners, researching industry sectors, and holding and sponsoring events to identify and build relationships with local luminaries with whom MCVB can work to secure business events for Melbourne.

Overall in FY10/11, the team generated a total of 239 new leads, worth more than \$586 million in economic impact, with the potential to attract 142,700 delegates to Melbourne and Victoria.

Sales calls were made in Sydney, Canberra and Hobart, engaging potential bid champions, securing key bid contacts and gaining intelligence on meeting opportunities.

CLUB MELBOURNE AMBASSADORS PROGRAM

MCVB continues to work co-operatively with the MCEC to develop the Club Melbourne Ambassadors (CMA) program. The program enables Victoria's leading academics, scientists, researchers and innovators to act as Ambassadors to promote Victoria as a major convention destination and assist Melbourne in bidding to attract business events. Twenty new CMAs were inducted in FY10/11.

CMAs assisted in securing five international conventions for Melbourne projected to attract more than 8,700 delegates with a potential economic impact of \$47 million,

including the International Congress of Immunology 2016 and the 23rd World Cancer Congress 2014.

CMAs, including recent Australia Day honours recipients Professor Hatem Salem and Professor Gregory Snell, are currently working on more than 190 convention leads.

SPONSORSHIPS AND EVENTS

Think Melbourne, Think Victoria events were run by MCVB in Melbourne, Adelaide, Canberra and Sydney. The 21 events were held to build relationships, promote MCVB and the MCEC capabilities and engage with high profile decision makers who can assist in leading potential bids.

MCVB sponsored 11 events during the year to build a higher level of community awareness and engagement, and to identify new leads. These included sponsoring the Graeme Clark Oration and the BioMelbourne Network – Women's Lunch to educate potential local hosts on MCVB's services and to promote Melbourne as a world-leading destination for business events. Developing new relationships with universities and research institutes was again a high priority in FY10/11.

KEY SUCCESSES AND OUTCOMES

- The Business Development team developed 81 leads to bid stage, representing 89,400 delegates, 330,757 room nights and \$445 million in economic impact

- The number of new leads identified with potential for Melbourne increased by 72% from FY09/10
- The number of Think Melbourne, Think Victoria events almost doubled from FY09/10 to a total of 21 events.

Incentive Sales

MCVB's Incentives Sales team had its most successful year to date, both in terms of its outreach and major incentive and corporate meetings wins.

MCVB continues to have a solid profile in-market both in North and South Asia, and is expanding capabilities in other regions across the world.

The opening of a new regional sales office in Shanghai in July 2010 marked MCVB's commitment to capitalise on the growth of the China market.

The incentive travel reward market for Melbourne saw steady growth in FY10/11, as key feeder markets regained their momentum and a sense of renewed optimism from organisations to forward plan incentive programs and corporate meetings.

The year culminated with 92 incentive and corporate events secured for Melbourne worth more than \$67 million, an increase of 135% from FY09/10. These results are particularly pleasing given the global economic climate and the strength of the Australian dollar.



MCVB Asia Roadshow, Seoul, Korea

MARKET ACTIVITY

The New Zealand (NZ) market continues to be a quiet achiever with 13 meetings secured due to increased sales activity, attendance at the Pacific Area Incentives & Conferences Expo (PAICE) and targeted familiarisation programs hosted by MCVB for key NZ companies. In addition, a total of six corporate meetings were secured from the US and the UK.

Key growth markets included Indonesia, India and Malaysia. In a major coup for Victoria, MCVB secured the highly coveted Amway India Leadership Seminar 2012 for 4,400 delegates, the largest Indian incentive group ever to be hosted in Australia.

In August 2010, MCVB conducted the annual Asia Roadshow in Seoul and Jakarta in association with 11 of Victoria's leading business events suppliers, ranging from 5-star hotels to unique venues and regional attractions. MCVB staff engaged with more than 115 MICE travel agents and corporate buyers, and generated valuable media exposure for partners. The Asia Roadshow received a 91% satisfaction rating from members, with more than 45% receiving immediate business leads.

The Incentive and Corporate Travel team also participated in trade missions to Hyderabad (India) and Ho Chi Minh in September 2010 and the business events Australia Roadshow to Hangzhou, Taipei, Bangkok, Kuala Lumpur, Singapore and Jakarta in May 2011, the latter resulting in eight strong leads and three confirmed group bookings.

MCVB's Incentives staff and representatives made 22 sales trips throughout the Asia-Pacific region covering 241 individual sales calls in cities including Hong Kong, Macau, Nanjing, Beijing, Jiangsu, Qingdao, Guangzhou and Shanghai; Ho Chi Minh; Seoul; Jakarta; Auckland; Taipei; Mumbai and New Delhi; Kuala Lumpur; Bangkok; and Singapore.

Nine incentive workshops were conducted across Asia spanning from India to China. In total, participation by the Incentives team in trade missions, trade shows and events generated 29 leads and confirmed 13 business events for Melbourne with a combined economic impact of more than \$11.7 million.

PUBLICITY AND PROFILE ACTIVITIES

PR activity included targeting incentive and corporate buyers and planners through supplements and advertorials in key international publications. Highlights included cooperative advertising campaigns undertaken with Tourism Australia in Asia (ESCAPE Magazine Malaysia July 2010, distributed to 26,000 and a supplement in the India Economic Times); China BT MICE Magazine March 2011, reaching 35,000; a three-page editorial article in Mice.net Asia and a two-page article in the June/July 2011 issue of Mix Magazine.

Incentives brochures were written in two new languages, and in May 2011, MCVB launched its Augmented Reality incentive video as part of its digital marketing suite with Melbourne footage and printed invitations being translated into simplified and traditional Chinese.

FAMILIARISATION PROGRAMS

A total of six familiarisation programs were managed by MCVB's Incentives team, hosting over 100 travel intermediaries and corporate decision makers from key source markets: China, Taiwan, Korea, Singapore, Malaysia, Indonesia, Thailand, Vietnam, India and New Zealand.

Of the six familiarisations, three were hosted in collaboration with Tourism Australia and partner convention and visitors bureaux featuring dual city itineraries with the Gold Coast, Adelaide and Sydney. MCVB also featured regional product in all programs, covering a cross section of incentive experiences including the Great Ocean Road, Yarra Valley, Mornington Peninsula, Sovereign Hill, Daylesford and Phillip Island.

MCVB secured four confirmed groups for Melbourne to date as a direct outcome of hosting familiarisations in FY10/11.



South East Asia Corporate Famil November 2010

MCVB ACHIEVEMENTS - A COMPARISON

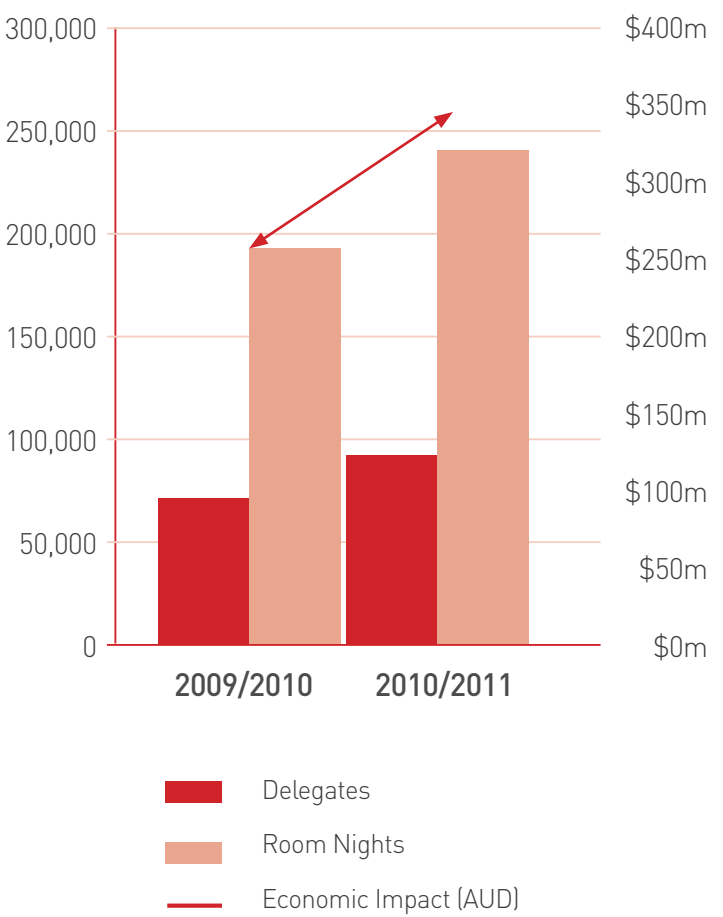
KEY PERFORMANCE INDICATORS 10/11 - BUSINESS WON AND ASSISTED

KPIs	2010/11 Target	2010/11 Actual	2010/11 Target vs Actual
Number of Events	115	245	↑ 113%
Delegates	72,000	92,236	↑ 28%
Room Nights	197,000	237,638	↑ 21%
Economic Impact	\$290M	\$354M	↑ 22%

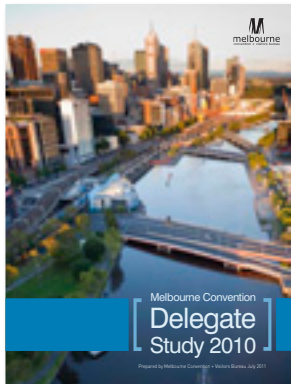
KEY PERFORMANCE INDICATORS 10/11 - YEAR ON YEAR COMPARISON TO 09/10 RESULTS

KPIs	2010/11 Actual	2009/10 Actual	2010/11 % Increase
Number of Events	245	179	↑ 37%
Delegates	92,236	71,891	↑ 28%
Room Nights	237,638	192,408	↑ 24%
Economic Impact	\$354M	\$269M	↑ 32%
International MCEC Delegate Days (Total)	182,775	173,975	↑ 5%

DELEGATES, ROOM NIGHTS AND ECONOMIC IMPACT COMPARISON



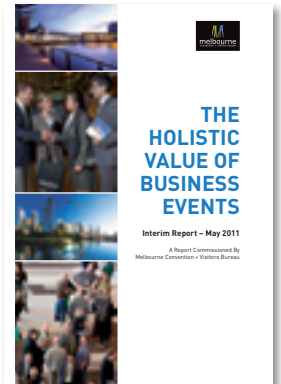
MCVB REPORTS, SURVEYS, ADVERTISING AND COLLATERAL



Melbourne Convention
Delegate Study 2010



Melbourne's
'Green Credentials' Report



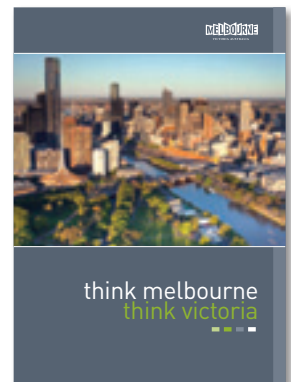
The Holistic Value
of Business Events



Melbourne -
Made for Business Events



Melbourne Planner's Guide
2011/2012



Think Melbourne
Think Victoria



Membership Prospectus
2011/2012



Augmented Reality DL Invitation
- AIME 2011



Business Events
Melbourne Facts & Figures

MARKETING & COMMUNICATIONS

\$2.3m

PUBLICITY VALUE ACHIEVED

19.5m

AUDIENCE REACH



Several world-first, groundbreaking innovations were developed by MCVB during FY10/11, particularly in digital marketing, with the launch of the Business Events Marketing e-Kit and the use of 'Augmented Reality' for the invitation to the AIME Official Welcome Reception and an international incentive travel promotional product.

DIGITAL MARKETING

MCVB extended its digital marketing strategy in FY10/11 to produce the world's first Business Events Marketing e-Kit; a suite of five 'white label' online products that any large international business event being held at the MCEC can use free of charge and rebrand with their own logo and content to boost delegate numbers.

The tools include a Smartphone App (developed with live data feed from the City of Melbourne website), a Tablet App, personalised 'My Melbourne' online delegate boosting tool, an EDM system and a Widget, which embeds Melbourne destination information and promotional footage into an association or conference website.

Each tool provides delegates with indispensable information about Melbourne, regional Victoria and the business event itself at various stages of the convention delegate journey.

The EDM, Widget and personalised 'My Melbourne' delegate boosting tool are the fundamental components of the planning and pre-touring phase, while the Smartphone and Tablet Apps, which work across all platforms, are significant sources of information when the delegate arrives in Melbourne.

In FY10/11, the personalised 'My Melbourne' online delegate boosting tool was used by four international conferences, producing extremely high open rates from 30-70% (averaging 41.45%) compared to the industry standard of between 3-5%.

To date, 11 conference organisers have requested and been sent the Widget with five being deployed on conference websites. The Smartphone and Tablet Apps have undergone further testing and enhanced versions will be rolled out in the next financial year.

Both the online delegate boosting tool and the Widget have received excellent feedback from clients and the Marketing e-Kit as a whole has driven extensive, world-wide media coverage.

MCVB's first foray into 'Augmented Reality' was for the invitation to the official AIME 2011 Welcome Reception held at the St Kilda Sea Baths. The invitation used virtual computer-generated imagery to create a 3D visual effect when recipients held it up to their web camera, bringing Melbourne's icons and landscapes to life. The invitation was viewed by more than 980 delegates.

At AIME 2011, MCVB released an Augmented Reality product in English for the international corporate and incentive travel market to motivate and inspire delegates. In May 2011, the product was launched in Mandarin (simplified Chinese).

PUBLIC RELATIONS AND ADVERTISING

In FY10/11, MCVB's public relations activity generated more than \$2.3 million worth of national and international PR value media coverage for MCVB, Melbourne and regional Victoria with an audience reach of approximately 19.5 million people. Both figures were well ahead of target.



MCVB and the MCEC's New Advertisement

Coverage was generated from a targeted media presence at AIME, announcement of world-first innovations, international bid wins and presence at international trade shows and roadshows.

While MCVB decreased its print advertising expenditure and re-allocated it to the digital marketing budget, it still had a strong presence in international travel trade publications in its key markets: UK/Europe, Asia and the US. A key highlight was the use of MCVB and the MCEC's new joint advertisement in CAT Publications' AMI Australia Bid Supplement in June 2011. The advertisement employs the catchphrase, 'Melbourne. Make sure you schedule some free time,' emphasising that there is plenty more to discover in Melbourne other than the business event.

MARKETING

During FY10/11 MCVB researched, updated and published two of its key publications; the Membership Prospectus and the Think Melbourne, Think Victoria brochure, which is targeted at luminaries across the nation, providing information on how to become a local host.



EDM



Personalised 'My Melbourne' online delegate boosting tool



Widget



Smartphone App



Tablet App

MCVB's annual flagship publication, the Melbourne Planner's Guide, was once again produced and distributed to 8,000 meetings and event planners across the globe through numerous distribution channels including MM+ES enquiries, MCVB's international offices and trade shows. Research undertaken following the release of the 2010/11 Guide highlighted that 67% of respondents had used the Guide one to five times in the first two months of receiving it, 92% were interested in receiving the Guide in the future and 67% of recipients hold between one and five meetings a year.

SOCIAL MEDIA

MCVB continued its integration into the social media space during FY10/11 with news of the organisation's successes streamed through updates on its Facebook, Twitter and LinkedIn pages. MCVB also developed a new social media strategy, designed to increase its engagement with stakeholders and establish a much wider audience reach. The strategy will be implemented in the next financial year.

MCVB also established a Weibo account, (similar to Twitter), in simplified and traditional Chinese for use in the Chinese market.

WEBSITE

The key focus of the MCVB website during FY10/11 was to continue integrating Search Engine Optimisation (SEO) techniques to increase the quality and volume of visitors to the website. This proved to work exceptionally well with visitor numbers exceeding 191,000, an increase of 64.6% from the previous year. In addition, MCVB recorded an increased dwell time of users on the website.

AIME

The 19th AIME enjoyed an outstanding year with record results across the board. The 2011 event saw a record 3,420 visitors attend, an increase of 10% on 2010.

Exhibitor attendance at AIME 2011 was also strong with 847 exhibitors, 200 of which were new to the event. These exhibitors represented a greater diversity of companies, products and services from around the world for buyers to choose from.

AIME 2011 attracted 429 Hosted Buyers from more than 30 countries around the world and delivered a wide variety of new contacts with 48% of buyers attending AIME for the first time.

AIME IN THE HALL OF FAME

AIME was inducted into the prestigious MEA Hall of Fame, after the event was awarded with 'Exhibition of the Year' for the third consecutive year at national level.

EXCELLENT AIME FEEDBACK

The following provides a summary of key findings from the Circulation Audit Board (CAB) audited AIME 2011 Post Show Report, which was released to all exhibitors and serves to highlight the growing significance of the event:

- The satisfaction with AIME remains very high for Exhibitors, Hosted Buyers and visitors
- Hosted Buyers and visitors report that they expect to place significant levels of business with Exhibitors as a result of their attendance
- Hosted Buyers report a high level of satisfaction in terms of identifying new products and new suppliers
- 91% of Exhibitors expressed satisfaction with their participation
- Exhibitors report high levels of leads gathered and positive expectations with regards to expected bookings. The estimated value of the business generated as a result of exhibiting at AIME was approximately US\$371 million
- 92% of Exhibitors intend to exhibit again in 2012.



Korea Maeil
Economic Daily



Thai Direct Mail Piece



CTS MICE - China



CTS MICE



Human Resource Magazine
(HRM)



AIME 2011 Welcome Reception, St Kilda Sea Baths

MEMBERS ON SHOW

MCVB is committed to showcasing its members' products and services and once again, Hosted Buyers and media were provided with 14 pre-touring options held in both Melbourne and regional Victoria prior to AIME, including dedicated two day familiarisations of key regions: Geelong/Bellarine; Yarra Valley; Bendigo; Ballarat; Mildura; Phillip Island; and the Southern Grampians. A survey of Hosted Buyers and media indicated that:

- 89% stated that the choices available for pre-touring were good (up by 5% on the previous year)
- 71% plan on bringing business to Melbourne or regional Victoria in the future and the remainder (29%) may bring business
- 56% are more likely to bring business to Melbourne or regional Victoria as a result of their pre-touring experience
- 54% said they already knew Melbourne and/or regional Victoria was great
- 37% indicated that AIME pre-touring had changed their perception about the destination they visited.

RECORD MEDIA COVERAGE

At AIME 2011, MCVB hosted 57 journalists from 14 countries which generated almost \$2 million worth of PR value in media coverage.

AIME NETWORKING EVENTS

Hosted Buyers, Exhibitors, visitors and media received plenty of opportunities to network in a social environment including the Welcome Cocktail Function at the MCG, a breakfast at the Melbourne Town Hall, lunch at the MCEC and the undoubted highlight; the official Welcome Reception, staged at St Kilda Sea Baths where more than 2,300 guests enjoyed a memorable evening at the landmark seaside setting. For the first time, this year's event featured a 'flashmob' dance routine on the beach. Dancers entertained guests on a perfect summer's night, before a stunning finale that reinforced Melbourne's status as Australia's business events capital.



St Kilda - AIME 2011 Welcome Reception Location



AIME 2011 Welcome Reception - flashmob



AIME 2011 Trade Show

MEMBERSHIP

\$33m

ECONOMIC IMPACT FOR
MEETINGS SECURED BY MM+ES

104

MCVB MEMBERSHIP SITE VISITS

MCVB's membership base of more than 270 of Melbourne's and regional Victoria's premier business events suppliers play an integral role in winning business for the state. In FY10/11 MCVB provided its members with increased opportunities to promote their products and services at both a national and international level. MCVB also introduced new marketing strategies for MM+ES which generated outstanding results.

INCREASING EXPOSURE AND OPPORTUNITIES

MCVB's Membership team had a very successful year. MCVB's MM+ES produced exceptional results, generating a 45% increase in leads for members, from the previous year, as well as a 72% increase in referrals from the previous year.

MCVB is committed to creating diverse, targeted and valuable benefits for its members; from delivering sales leads, networking, business and educational opportunities to co-operative marketing opportunities through advertising, trade shows and MCVB-generated publicity.



In February 2011, more than 270 Hosted Buyers and media took part in the pre-touring program as part of AIME, showcasing members' products and services on 14 tours throughout Melbourne and regional Victoria. Furthermore, Hosted Buyers and media were taken on a Chic City Showcase of Melbourne where 35 member properties were visited.

The Melbourne/Victoria Stand at AIME also provided unique networking opportunities for members with more than 3,400 visitors from all over the world attending the trade show.

MCVB held its annual Asia Roadshow in Jakarta and Seoul in August 2010, with 11 members in attendance to engage with 115 MICE travel agents and corporate buyers. As well as generating valuable media exposure, 45% of members reported receiving immediate business leads. Overall, the Asia Roadshow received a 91% satisfaction rating from members.

MCVB also promoted its members' products and services at more than 16 international trade shows and roadshows, spanning Asia, NZ, Europe and the US.

Members' support and contributions to familiarisation programs and site inspections for MICE agents, corporate buyers and key decision makers throughout the year were integral to the record business MCVB generated for the state economy.

MM+ES

MCVB's MM+ES is a free referral service which provides advice and quotes to meeting planners and event organisers on all event needs under 300 delegates, including venues, catering and accommodation. In FY10/11, this free service facilitated business worth more than \$33 million for the state, an increase of 43% from the previous financial year.

The success of MM+ES can also be attributed to a range of new marketing strategies undertaken in FY10/11. In September 2010, MCVB sponsored Cosmopolitan magazine's online competition 'Are You Australia's Number 1 PA?', which delivered 33,878 impressions and 948 entries, the highest ever response rate for a Cosmopolitan online competition.

MCVB also exhibited at the Executive Assistant Network Expo in Perth, Brisbane, Sydney and Melbourne, which generated over 400 new MM+ES contacts and a substantial number of business event leads.

MEMBER EVENTS

In response to the results of MCVB's Annual Membership Survey, MCVB held seven educational and social events for members throughout the year.

One highlight was an event which focussed on developing leadership skills. The keynote speaker was Rachael Robertson who spoke about the challenges of leading a 12 month expedition to Davis Station in Antarctica. This MCVB member event achieved outstanding feedback, with 100% of attendees rating the presentation as excellent and 91% stating that such events were a major benefit of their membership.

Member Briefing Events

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

Total for the year: 2

Member Presentation Sessions

Purpose: To provide opportunities for members to visit the MCVB office and update MCVB staff about their products and services.

Total for the year: 12 sessions, with 41 member presentations.

Member Refresher Sessions

Purpose: To inform members about MCVB activities and report on business generated by the organisation for members, in Melbourne and regional Victoria.

Total for the year: 15

Member Site Visits

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

Total for the year: 104



MM+ES Cosmopolitan online competition



AGM Guest Speaker – Matt Welsh, triple Commonwealth Games Gold Medallist

RESEARCH

\$4,134

AVERAGE SPEND BY INTERNATIONAL
DELEGATES DURING THEIR STAY IN
MELBOURNE

63%

OF ALL INTERNATIONAL DELEGATES
TO MELBOURNE WERE FIRST TIME
VISITORS TO AUSTRALIA



MCVB built on its reputation for providing excellent market research by embarking on and producing a number of research projects in FY10/11. These studies are designed to provide valuable market insights for MCVB members, stakeholders and the wider business events industry. In another world-first for a convention and visitors bureau, MCVB utilised Braille as a research tool.

DELEGATE STUDY

MCVB's landmark Melbourne Convention Delegate Study 2010 was finalised in June 2011.

The largest survey of its kind in Victoria, including the last one MCVB conducted in 2006/2007, the survey proved an excellent means of analysing the trends of convention visitors to Melbourne. In particular, it examined the travel and spending habits of visiting delegates, surveying 3,270 delegates from 87 countries, attending eight conferences.

The survey found that international delegates spent an average of \$4,134 during their stay in Melbourne, \$2,205 in regional Victoria and \$3,618 in other parts of Australia. In addition, 27% of respondents travelled with two other people who did not attend the conference.

Most significantly, 63% of respondents were first time visitors to Australia, emphasising the importance of the business events industry in attracting new visitors and export dollars.

GREEN CREDENTIALS

Now in its fourth year, Melbourne's 'Green Credentials' Report 2011 saw increased participation from business events suppliers.

Undertaken online between October 2010 and April 2011, the survey requested and collated information pertaining to water, waste and energy management, sustainability programs, strategic implementation, accolades received and projects to be completed.

The most pleasing results were that 100% of participants have implemented paper reduction procedures by communicating electronically (up 78% on the previous year), 100% have a recycling program in place for paper, glass, bottles and print cartridges (up 12%), 94% actively switch off computers, lights and air conditioning when not in use (up 58%) and 91% use energy efficient light globes in their workplace.

BEYOND TOURISM STUDY

The Holistic Value of business events, commissioned by MCVB in February 2009, was conducted by the Centre for Tourism and Service Research at Victoria University to identify and quantify the additional benefits associated with selected business events over a two-year period.

The study covers four conventions, and their associated exhibitions, held in Melbourne in 2009, ranging in size from 400 to 800 delegates in the medical, scientific and environmental/sustainability fields, and tracks the benefits pre, during and post event.

A year into the study, the interim report revealed that there is strong evidence of the additional benefits arising from staging a business event including:

- 50% of respondents gained immediate information that enhanced their personal or business performance
- 54% developed new business contacts and relationships
- 63% found their industry sector profile was enhanced because of the event
- 82% built relationships with speakers, delegates, exhibitors and/or organisers on-site.

BRaille SURVEY

In FY10/11 MCVB became the first convention and visitors bureau in the world to use Braille as a research tool.

MCVB piloted the initiative in Kuala Lumpur in February 2011 at the 'Vision Rehabilitation – Towards Better Vision' Conference, which focused on new developments in research and rehabilitation for those with low vision.

The groundbreaking survey saw questionnaires distributed in 10 versions of Braille, as well as in large print, to more than 500 attendees, many of whom were vision impaired.

By distributing the Braille questionnaire, MCVB was able to glean valuable information on how to target these delegates and boost numbers at the event in Melbourne in 2014.

ACCOMPANYING PERSONS

MCVB was Australia's first convention and visitors bureau to survey persons accompanying delegates to conventions, with the Accompanying Persons Survey 2010. The aim of the study was to discover how accompanying persons source destination information, how far in advance they do this and to gain insight into their spending patterns.

The two conferences that encouraged accompanying persons to participate in the study were the International Congress of Parasitology 15-20 August 2010 and the 8th Asian and Oceanian Epilepsy Congress 21-24 October 2010. Accompanying persons from 13 countries completed a hardcopy survey. Although the sample size was small, MCVB intends to build upon the data to create a more robust study.

'Destination appeal' was revealed as the key influence on the decision to accompany a partner or family member on a future conference. All of the accompanying persons sourced information about Australia/Melbourne before they arrived and tended to spend three to four hours per day exploring a city whilst their partner attended a conference. This information underscores the importance of MCVB's development of the Smartphone App and the 'My Melbourne' online delegate boosting tool to inform delegates about Melbourne and regional Victoria prior to their arrival.



CONVENTION SERVICING & GOVERNMENT PARTNERSHIPS

89

MAJOR BUSINESS EVENTS
SERVICED BY MCVB

▲ 25%

INCREASE IN NUMBER OF
EVENTS SERVICED



Increasing event promotional support, stakeholder briefings and the delivery of bid activities that align with government policy initiatives were the key focus of the Convention Servicing and Government Partnerships team in FY10/11. This strategic focus has delivered some outstanding results for MCVB.

CONVENTION SERVICING ACTIVITIES

The number of events in FY10/11 being serviced by MCVB increased by 25% from the previous financial year partially due to the increasing number of events secured for Melbourne. To assist with managing the demand, the role of Convention Services Co-ordinator was created with the focus on co-ordinating delegate boosting and promotional activities, and the growing number of site inspections.

The Convention Servicing and Government Partnerships team conducted eight site inspections in Melbourne for international event organisers; double the amount from the previous year.

DELEGATE BOOSTING

The Convention Servicing and Government Partnerships team guides clients and professional conference organisers on how to use MCVB's new, free of charge, digital marketing tools. MCVB rolled out the 'My Melbourne' online delegate boosting tool, part of the Business Events Marketing e-Kit, to four conferences in FY10/11 including the International Air Transport Association (IATA) - Schedules Conference 2010, the 3rd Knowledge Cities Summit 2010, the International Botanical Congress 2011 (IBC) and the General Assembly of International Union of Geodesy and Geophysics (IUGG) 2011.

The Widget was requested by and sent to 11 professional conference organisers and is currently deployed on five conference websites with more to come.

The International Congress of Applied Psychology proved to be a great success in July 2010, attracting 1,500 more delegates than expected, following a four-year program of delegate boosting activities.

MCVB staff and representatives co-ordinated delegate boosting activities at 10 international conferences held abroad, in the lead up to their future events being held in Melbourne. For example, promotional booths were manned to market the city and regional Victoria to potential delegates. Following delegate boosting activities at the International Pediatrics Congress (IPC) in Johannesburg, South Africa, the Union of Middle-Eastern and Mediterranean Pediatric Societies Congress in Amman, Jordan and Pedicon in Japair, India, more than 5,000 potential delegates have registered their interest in attending the IPC in Melbourne in 2013.

CITY WIDE SUPPORT PACKAGE (CWSP)

Funding for the CWSP, which is allocated to support congress planning, marketing, on-site support and site inspections for key decision makers increased by 35% in FY10/11, while the number of associations allocated CWSP funding increased by 27% from the previous financial year.

WORKING WITH MINISTERS TO PROMOTE MELBOURNE

MCVB continued to strengthen relationships with key Victorian Government departments including the Department of Business and Innovation, Tourism Victoria, Invest Victoria and the Department of Health and Sustainability Victoria.

Since the new State Government came to power in November 2010, MCVB generated a number of business meetings with potential clients and key Ministers. In March 2011, the Minister for Tourism and Major Events, Ms Louise Asher, assisted MCVB to secure the coveted Amway India Leadership Seminar, expected to bring more than 4,400 delegates to Melbourne in 2012 and generate more than \$23 million for the Victorian economy.



Minister Asher and Ms Rita Tandon from Amway India

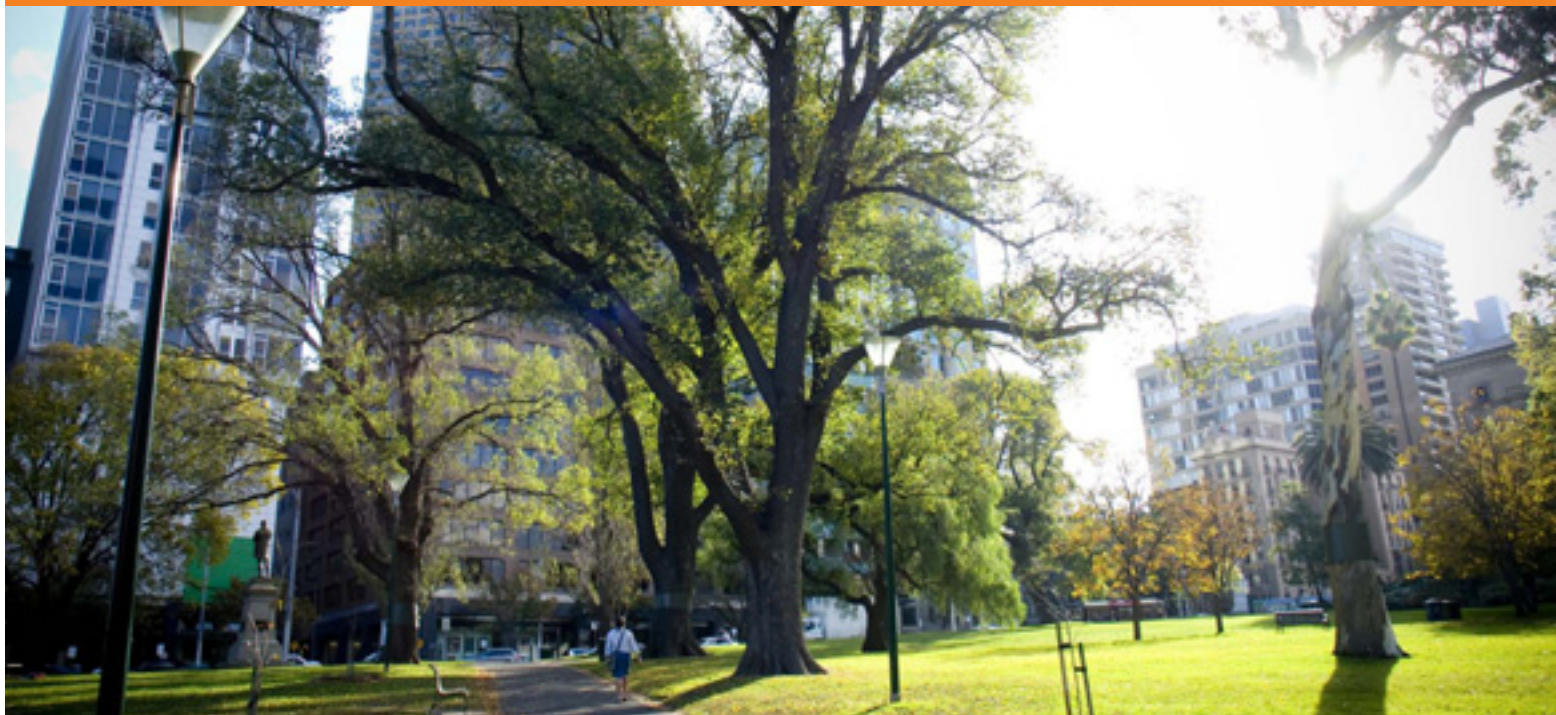
CORPORATE SERVICES

8 students

PARTICIPATED IN MCVB'S UNIVERSITY
STUDENT INTERN PROGRAM

29

TRAINING HOURS PER
STAFF MEMBER



MCVB's Corporate Services department focused on further streamlining the organisation's financial management, improving IT systems and human resources management and ensuring adherence to corporate governance protocols.

OPERATIONS AND EFFICIENCY

MCVB's risk management strategy is regularly reviewed by the Board Risk Management Committee. For each risk identified a risk mitigation strategy is implemented and monitored.

MCVB's risk mitigation strategies in FY10/11 focused on facing challenges pertaining to the reduction of the average size of international business events, increased financial incentives being offered by international competitors, emergence of new competitors in Asia and the strength of the Australian dollar. The record results achieved by MCVB is evidence of the strength of the Bureau's risk management plan.

As one of only eight BestCities Global Alliance members world-wide, MCVB was independently audited by Lloyd's Register Quality Assurance and was assessed as meeting each of the 33 BestCities service standards; a customer service guarantee for meeting planners and association clients.

The team also conducted an annual IT network audit and put in place a measure that increased protection of electronic data and systems.

HUMAN RESOURCES

MCVB values the importance of staff training and implements an annual Learning and Development Program. In FY10/11, all staff members attended a minimum of three training programs, with an average of 29 professional development hours per staff member. Training covered a range of professional and skill development areas and topics, including utilising social media, performance management and business writing skills. Staff also furthered their knowledge by attending industry courses and events such as the annual MEA conference, ICCA workshops and the AACB staff conference.

Staff achievement is recognised through MCVB's Staff Award Program, rewarding outstanding contributions to team work, performance, achievement and innovation.

MCVB STUDENT INTERN PROGRAM

MCVB offers a student internship program working with a number of universities, mentoring students in all aspects of MCVB's core business and developing students' skills and interest in Victoria's business events industry. During FY10/11, eight students undertook placements at MCVB from Victoria University, Griffith University by correspondence, Deakin University, Monash University and RMIT.

ENVIRONMENTAL SUSTAINABILITY

MCVB is committed to leading and supporting 'green' initiatives in the business events industry with a suite of accessible green tools, many of which are convention and visitors bureau firsts.

In FY10/11 MCVB continued to monitor, measure and report on the carbon footprint of its head office. Staff are encouraged to reduce paper usage and electricity consumption as well as separate waste into organic, recyclable and rubbish waste, reducing the amount of landfill it generates.

UK/EUROPE OFFICE

After 19 years of excellent representation by Janet Sealy Partnership, MCVB and the MCEC established a new office in London to service the European market. MCVB is now co-located with the Victorian Government business office at Victoria House at Australia Centre, in The Strand.

This has several advantages as MCVB has immediate access to Victoria's business partners and Tourism Australia is located in the same building. More than 59% of the world's international associations are based in UK and Europe so this major presence is an essential platform for Melbourne's business events acquisition strategies and activities.



Australia House, home to the new MCVB/MCEC Office

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 2011 and the auditor's report thereon.

1. DIRECTORS

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

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
Christopher C Barlow B.Sc (Honours) Civil Engineering Independent Non-Executive Director	<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 & Managing Director – Australian Pacific Airports Corporation (operators of Melbourne & Launceston Airports); formerly Developmental Director of BAA plc. Chartered Engineer.</p>
Dr Kathy Alexander Ph.D in Social Policy Independent Non-Executive Director	<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>
Kate Brennan Independent Non-Executive Director	<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>
David G Courtney MBA (Monash), FCA, B.Bus (RMIT), F Fin (Finsia) Independent Non-Executive Director	<p>Appointed 23 May 2007; Resigned 24 November 2010.</p> <p>Former Chief Executive Officer, Crown Melbourne Limited.</p> <p>Former Director, Crown Melbourne Limited; Former Director, Burswood Limited; Formerly Chief Executive Officer – Burswood Limited; Former Partner – Ernst & Young.</p>
Julian Clark Independent Non- Executive Director	<p>Appointed 24 November 2009.</p> <p>CEO – The Lancemore Group (Mansion Hotel & 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 Centre (IACC) – Australia.</p>
Peter Crinis Independent Non-Executive Director	<p>Appointed 24 November 2010.</p> <p>Executive General Manager – Hotels & Retail, Crown Melbourne Limited.</p> <p>Chairman AHA Victoria Accommodation Division.</p>

1. DIRECTORS (CONTINUED)

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
John D Davies B. Bus Studies, FCA Independent Non-Executive Director	<p>Appointed 27 November 2002.</p> <p>Audit & Finance Committee Chairman. Risk Committee Member. Remuneration Committee Member.</p> <p>Partner - Ernst & Young.</p> <p>Specific experience risk management; Oceania Leader of Ernst & Young's Consumer Products Group; specialist knowledge in Major Events and Venues industry.</p>
Leigh Harry CFE AFMEA B.Com (Melb) Independent Non-Executive Director	<p>Appointed 15 January 1996.</p> <p>Deputy Chairman. Audit & Finance Committee Member. Risk Committee Member.</p> <p>Chief Executive - Melbourne Convention and Exhibition Centre.</p> <p>Immediate Past President, International Congress & 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 & Events Association Australia.</p>
Kenneth J Ryan B.Com (Melb) Independent Non-Executive Director	<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>
Darryl L Washington B.Com (Melb), CPA Independent Non-Executive Director	<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>
Christopher B Woodruff Independent Non-Executive Director	<p>Appointed 28 November 2007.</p> <p>Managing Director & 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	5	4	1	1	-	-	2	2
Leigh Harry	5	5	3	1	2	2	-	-
Dr Kathy Alexander	5	3	-	-	-	-	-	-
Kate Brennan	5	3	-	-	2	2	-	-
Julian Clark	5	4	-	-	-	-	-	-
David G Courtney	2	1	-	-	-	-	-	-
Peter Crinis	3	2	-	-	-	-	-	-
John D Davies	5	4	3	3	2	2	2	2
Kenneth J Ryan	5	2	-	-	-	-	-	-
Darryl L Washington	5	4	-	-	-	-	-	-
Christopher B Woodruff	5	5	-	-	-	-	-	-

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

B Number of meetings attended

4. ENVIRONMENTAL REGULATION

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

5. PRINCIPAL ACTIVITIES

The principal activities of the Company during the year ended 30 June 2011 comprised 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.

6. OPERATING AND FINANCIAL REVIEW

Revenue from operations for the year ended 30 June 2011 was \$11,499,802 (2010: \$11,446,627). The result for the year ended 30 June 2011 is a surplus of \$166,010 (2010: \$223,415 surplus). A detailed review of Company operations for the year is included in the CEO's report.

Significant changes in the state of affairs

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

7. DIVIDENDS

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

8. EVENTS SUBSEQUENT TO REPORTING DATE

On 4 July 2011, Ms Sandra Chipchase, CEO submitted her resignation from the Company taking effect from 4 August 2011. The Board has commenced a world-wide search for a suitable replacement.

Other than the matter discussed above, 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.

9. LIKELY DEVELOPMENTS

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

10. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

(a) Indemnification

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

(b) Insurance premiums

During the financial year the Company has paid insurance premiums totalling \$5,217 (2010: \$5,883) in respect of Directors' and Officers' liability insurance. These insurance premiums related to insurance of Directors and Officers of the Company named in this report, and to former Directors and Officers of the predecessor companies, Melbourne City Marketing Limited and The Melbourne Convention & Tourism Authority. The policies do not specify the premium for individual Directors and Officers.

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

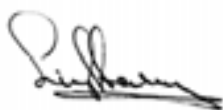
11. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 47 and forms part of the Directors' Report for the year ended 30 June 2011.

This report is made with a resolution of the Directors:



Chris Barlow, Director



Leigh Harry, Director

Dated at Melbourne this 5th day of September 2011

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	4	11,488,812	11,425,718
Other income		10,990	20,909
Sales and marketing expenses		(10,059,282)	(9,892,491)
Administrative expenses		(1,390,614)	(1,406,887)
Result from operating activities		49,906	147,249
Finance income		121,556	78,982
Finance costs		(5,452)	(2,816)
Net finance income	5	116,104	76,166
Profit for the year		166,010	223,415
Other comprehensive income		-	-
Total comprehensive income for the year		166,010	223,415

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
Assets			
Cash and cash equivalents	6	3,769,135	3,253,204
Trade and other receivables	7	480,277	888,591
Total current assets		4,249,412	4,141,795
Plant and equipment	8	510,025	660,828
Intangibles	9	15,333	26,276
Total non-current assets		525,358	687,104
Total assets		4,774,770	4,828,899
Liabilities			
Trade and other payables	10	1,868,158	2,181,154
Borrowings	11	19,618	20,504
Employee benefits	12	473,042	411,995
Provisions	13	24,457	-
Total current liabilities		2,385,275	2,613,653
Borrowings	11	23,390	43,008
Employee benefits	12	90,731	56,329
Provisions	13	200,433	206,978
Total non-current liabilities		314,554	306,315
Total liabilities		2,699,829	2,919,968
Net assets		2,074,941	1,908,931
Equity			
Retained earnings		2,074,941	1,908,931
Total equity		2,074,941	1,908,931

The notes on pages 35 to 45 are an integral part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Retained earnings		
Opening balance at 1 July	1,908,931	1,685,516
Total comprehensive income for the year		
Profit for the year	166,010	223,415
Other comprehensive income	-	-
Total comprehensive income for the year	166,010	223,415
Closing balance at 30 June	2,074,941	1,908,931

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011	2010
		\$	\$
Cash flows from operating activities			
Cash received from customers and funding bodies		12,069,453	11,054,149
Cash paid to suppliers and employees		(11,603,297)	(10,443,475)
Cash generated from operations		466,156	610,674
Interest received		121,556	78,982
Net cash from operating activities		587,712	689,656
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	425
Acquisitions of plant and equipment		(45,033)	(475,889)
Acquisitions of intangibles		(4,068)	(1,131)
Net cash (used in) investing activities		(49,101)	(476,595)
Cash flows from financing activities			
Finance lease payments		(22,680)	(22,680)
Net cash (used in) financing activities		(22,680)	(22,680)
Net increase in cash and cash equivalents		515,931	190,381
Cash and cash equivalents at 1 July		3,253,204	3,062,823
Cash and cash equivalents at 30 June	6	3,769,135	3,253,204

The notes on pages 35 to 45 are an integral part of these financial statements.

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.

2. BASIS OF PREPARATION

(a) STATEMENT OF COMPLIANCE

The Company early adopted AASB 1053 *Application of Tiers in Australian Accounting Standards and AASB 2010-2 Amendments to Australian Standards arising from Reduced Disclosure Requirements* for the financial year beginning on 1 July 2010 to prepare Tier 2 general purpose financial statements.

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting standards – Reduced disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements were authorised for issue by the Board of Directors on 5th September 2011.

(b) BASIS OF MEASUREMENT

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

(c) FUNCTIONAL AND PRESENTATION CURRENCY

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

(d) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with AASBs 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 10) 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company. Certain comparative amounts have been reclassified to conform with current year's presentation.

(a) FOREIGN CURRENCY

Transactions 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.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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

(b) FINANCIAL INSTRUMENTS

(i) Non-derivative financial assets

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

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

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

The Company has the following non-derivative financial assets: receivables.

Receivables

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

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

Cash and cash equivalents

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

(ii) Non-derivative financial liabilities

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Non-derivative financial liabilities (continued)

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

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

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

(c) PLANT AND EQUIPMENT

(i) Recognition and measurement

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

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, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The 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 are recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment is recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

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

	2011	2010
Plant and equipment	3 – 5 years	3 – 5 years
Leasehold Improvements	3 – 7 years	3 – 7 years
Leased plant	5 years	5 years

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

(iv) Leasehold improvements

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

(d) INTANGIBLES

(i) Intangible assets

Intangible assets 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.

(ii) Amortisation

Amortisation is calculated over the cost of the asset less its residual value.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date they are available for use. The estimated useful lives for the current and comparative periods are as follows:

	2011	2010
Computer software	2 – 3 years	2 – 3 years

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

(e) LEASED ASSETS

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) IMPAIRMENT

(i) Non-derivative financial assets

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

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

Loans and receivables

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

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

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

(ii) Non-financial assets

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

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

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.

(ii) Other long-term employee benefits

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

(iii) Short term benefits

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

(h) PROVISIONS

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

(i) REVENUE

(i) Government grants

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

(ii) Membership contributions and industry co-operative revenue

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

(iii) Advertising sales revenue

Advertising revenue is recognised when received or receivable.

(iv) In-kind contributions

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) LEASE PAYMENTS

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

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

Determining whether an arrangement contains a lease

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

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

(k) FINANCE INCOME AND FINANCE COSTS

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

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

(l) INCOME TAX

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

(m) GOODS AND SERVICES TAX

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

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

(n) NEW STANDARDS AND INTERPRETATIONS

(i) New standards and interpretations early adopted

The standards relevant to the Company that have been early adopted during the annual reporting period beginning 1 July 2010 are:

- AASB 1053 *Application of Tiers of Australian Accounting Standards* established differential financial reporting framework, which consists of two tiers of reporting requirements for reporting entities preparing general purpose financial statements (GPFSS):
 - Tier 1: Australian Accounting Standards (full IFRS recognition, measurement and disclosure)
 - Tier2: 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 disclosure in most Australian Accounting Standards, including interpretations, for Tier 2 entities.

(ii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2010, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company, except for IFRS 9 Financial Instruments, which becomes mandatory for the Company's 2014 financial statements and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

4. REVENUE

	2011	2010
	\$	\$
State Government funding - MCET	5,700,000	5,700,000
State Government funding - DIIRD	1,600,000	1,625,000
City of Melbourne funding	1,070,000	970,000
Industry co-operative revenue	1,423,382	1,432,513
Member revenue	855,681	851,697
Advertising sales revenue	315,377	369,928
In-kind co-operative revenue	524,372	476,580
	11,488,812	11,425,718

5. FINANCE INCOME AND FINANCE COSTS

	2011	2010
	\$	\$
Interest income on bank deposits	121,556	78,982
Finance income	121,556	78,982
Interest expense on financial liabilities	(5,452)	(2,816)
Finance expense	(5,452)	(2,816)
Net finance income	116,104	76,166

6. CASH AND CASH EQUIVALENTS

	2011	2010
	\$	\$
Bank balances	3,764,559	3,248,926
Cash on hand	4,576	4,278
Cash and cash equivalents in the statement of cash flows	3,769,135	3,253,204

7. TRADE AND OTHER RECEIVABLES

	2011	2010
	\$	\$
Trade receivables	219,276	512,138
Other receivables and prepayments	261,001	376,453
	480,277	888,591

Impairment losses

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

	2011	2010
	\$	\$
Balance at 1 July	10,205	5,865
Impairment loss (derecognised)/recognised	(8,709)	4,340
Balance at 30 June	1,496	10,205

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

8. PLANT AND EQUIPMENT

	Leasehold Improvements	Plant and Equipment	Leased Plant	Under Construction	Total
	\$	\$	\$	\$	\$
Cost					
Balance at 1 July 2009	78,028	302,941	96,122	29,871	506,962
Acquisitions	403,475	209,878	-	-	613,353
Disposals/transfers	(72,986)	(53,691)	-	(29,871)	(156,548)
Balance at 30 June 2010	408,517	459,128	96,122		963,767
Balance at 1 July 2010	408,517	459,128	96,122	-	963,767
Acquisitions	8,678	36,355	-	-	45,033
Disposals/transfers	-	-	-	-	-
Balance at 30 June 2011	417,195	495,483	96,122	-	1,008,800
Depreciation and amortisation					
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)
Balance at 30 June 2010	42,290	230,211	30,438	-	302,939
Balance at 1 July 2010	42,290	230,211	30,438	-	302,939
Depreciation	67,390	109,222	19,224	-	195,836
Disposals	-	-	-	-	-
Balance at 30 June 2011	109,680	339,433	49,662	-	498,775
Carrying amounts					
At 1 July 2009	2,628	118,941	84,908	29,871	236,348
At 30 June 2010	366,227	228,917	65,684	-	660,828
At 1 July 2010	366,227	228,917	65,684	-	660,828
At 30 June 2011	307,515	156,050	46,460	-	510,025

9. INTANGIBLES**Computer Software****Total**

\$

\$

Cost

Balance at 1 July 2009	72,766	72,766
Acquisitions	1,131	1,131
Disposals	-	-
Balance at 30 June 2010	73,897	73,897

Balance at 1 July 2010	73,897	73,897
Acquisitions	4,068	4,068
Disposals	-	-
Balance at 30 June 2011	77,965	77,965

Depreciation and amortisation

Balance at 1 July 2009	31,167	31,167
Amortisation	16,454	16,454
Disposals	-	-
Balance at 30 June 2010	47,621	47,621

Balance at 1 July 2010	47,621	47,621
Amortisation	15,011	15,011
Disposals	-	-
Balance at 30 June 2011	62,632	62,632

Carrying amounts

At 1 July 2009	41,599	41,599
At 30 June 2010	26,276	26,276
At 1 July 2010	26,276	26,276
At 30 June 2011	15,333	15,333

10. TRADE AND OTHER PAYABLES**2011****2010**

\$

\$

Trade payables

Trade payables	340,261	541,636
Income in advance	319,444	88,963
Other payables and accrued expenses	1,208,453	1,550,555
	1,868,158	2,181,154

11. BORROWINGS

	2011	2010
	\$	\$
Current		
Current portion of finance lease liabilities	19,618	20,504
	19,618	20,504
Non-current		
Finance lease liabilities	23,390	43,008
	23,390	43,008
	43,008	63,512

Finance lease liabilities

Finance lease liabilities of the Company are payable as follows:

	Future minimum lease payments	Future minimum lease payments
	2011	2010
	\$	\$
Less than one year	22,680	22,680
Between one and five years	28,350	51,030
More than five years	-	-
	51,030	73,710

12. EMPLOYEE BENEFITS

	2011	2010
	\$	\$
Current		
Liability for annual leave	253,792	234,510
Liability for long service leave	14,444	13,311
Accrued superannuation	36,303	25,802
Employee bonus liability	168,503	138,372
	473,042	411,995
Non-current		
Liability for long service leave	90,731	56,329
	90,731	56,329
	563,773	468,324

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

Defined contribution superannuation plans

The Company has paid contributions of \$304,250 to defined contribution superannuation plans on behalf of employees for the year ended 30 June 2011 (2010: \$ 275,114).

13. PROVISIONS	Lease Incentive	Leasehold Make Good	Total
	\$	\$	\$
Balance at 1 July 2010	97,771	109,217	206,978
Provisions made during the period	39,286	-	39,286
Provisions used during the period	(24,650)	-	(24,650)
Provisions reversed during the period	-	-	-
Unwind of discount	-	3,276	3,276
Balance at 30 June 2011	112,407	112,483	224,890
Current	24,457	-	24,457
Non-current	87,950	112,483	200,433
	112,407	112,483	224,890

Leasehold Make Good

A provision of \$112,483 was made during the year ended 30 June 2011 in respect of the company's obligation to make good its IBM Centre leasehold premises upon completion of the current lease on 30 December 2015. In accordance with note 3(c)(i), leasehold make good costs relating to the restoration of leased premises incurred upon installation of leasehold assets are recognised as part of the cost of leasehold assets.

Lease Incentive

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

14. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2011	2010
	\$	\$
Less than one year	335,474	338,959
Between one and five years	1,202,545	1,391,611
More than five years	-	178,788
	1,538,019	1,909,358

The Company leases office premises in Southbank, Melbourne on commercial terms; this lease expires in December 2015. Lease payments are increased by 4% each year.

During the year \$335,805 was recognised as an expense in profit or loss in respect of operating leases (2010: \$333,736).

15. CONTINGENT LIABILITIES

Expenditure commitments

The Company has commitments of \$4,628,821 (2010: \$3,161,416) for collateral and services delivery for eighty three (2010 fifty four) events taking place in the next six (2010: six) years. These commitments for support of events have been made by the Company as part of proposals to secure the events and are contingent on the bid for the event being won. These do not include any funding commitments made directly by the State Government to support major business events.

16. RELATED PARTIES

(a) Key management personnel compensation

The key management personnel compensation was \$1,423,181 for the year ended 30 June 2011 (2010: \$1,265,256).

Key management personnel compensation includes the payment of Director's Fees to Christopher C Barlow of \$25,000 (2010: \$25,000).

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

Key Management person related parties	Transaction	Note	Transaction value year ended 30 June		Balance outstanding as at 30 June	
			2011 \$	2010 \$	2011 \$	2010 \$
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		120,638	101,097	6,186	11,705
	Expenditure – sales and marketing		88,969	98,660	(2,503)	(524)
Dr. K. Alexander – City of Melbourne	Revenue – City of Melbourne funding	(ii)	1,070,000	970,000	-	-
	Revenue – sales and marketing		55,461	17,855	1,089	13,371
	Expenditure – sales and marketing		3,080	-	-	-
Ms. K. Brennan – Federation Square	Revenue – member and marketing	(iii)	12,836	13,841	4,060	-
	Expenditure – sales and marketing		3,159	-	-	-
Mr. K. Ryan – Qantas Airways	Revenue – member and advertising sales	(iv)	82,525	123,146	-	-
	Expenditure – sales and marketing		91,515	46,340	-	-
Mr. D. G. Courtney – Crown Melbourne Limited	Revenue – member and advertising sales	(v)	141,600	137,352	6,484	-
	Expenditure – sales and marketing		97,121	42,166	-	(874)
Mr. P Crinis – Crown Melbourne Limited	Revenue – member and advertising sales	(v)	141,600	137,352	6,484	-
	Expenditure – sales and marketing		97,121	42,166	-	(874)
Mr J. Clark – The Lancemore Group	Revenue – member and advertising sales	(vi)	8,989	4,017	-	-
	Expenditure – sales and marketing		14,255	3,904	-	-
Mr. D. Washington- Australian Hotels Association	Revenue – member sales	(vii)	1,227	1,227	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. C. Woodruff - Australian Pacific Airports Corporation	Revenue – member sales	(viii)	18,182	18,182	-	-
Mr. J. Davies – Ernst & Young	Expenditure	(ix)	26,900	19,900	-	-

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

- (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.
- (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 was a Director of Crown Melbourne Limited. Mr P Crinis is Executive General Manager – Hotels & Retail, Crown Melbourne 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) Australian Hotels Association pays the standard membership fee. Mr D Washington is General Manager - Accommodation Division, Australian Hotels Association (Vic), Australian Hotels Association.
- (viii) 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.
- (ix) 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 was \$46,800. 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:

	2011	2010
	\$	\$
Current receivables		
Trade debtors	17,819	25,076
Less: Impairment loss	-	-
	17,819	25,076
Current Payables	2,503	1,398

17. SUBSEQUENT EVENT

On 4 July 2011, Ms Sandra Chipchase, CEO submitted her resignation from the Company taking effect from 4 August 2011. The Board has commenced a world-wide search for a suitable replacement.

DIRECTORS' DECLARATION

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

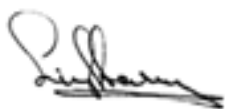
- (a) the financial statements and notes, set out on pages 33 to 45, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001; and
- (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 5th day of September 2011.



Chris Barlow, Director



Leigh Harry, Director



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 2011 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

Tony Batsakis
Partner

Melbourne

5 September 2011

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 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

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



Independence

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

Auditor's opinion

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

KPMG

Tony Batsakis
Partner

Melbourne

5 September 2011





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