

2015/16



ANNUAL REPORT

MELBOURNE CONVENTION BUREAU



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MINISTER'S MESSAGE

Victoria's visitor economy has been boosted by the \$9.8 billion business events industry in the past 12 months, with Melbourne Convention Bureau (MCB) leading the push to secure lucrative business events for the state.

Conferences attract high yield delegates and this is recognised in the Victorian Visitor Economy Strategy, which aims to increase visitor spending to \$36.5 billion and generate 320,700 jobs by 2025.

Business events are the highest yielding sector of the visitor economy and MCB will play a vital role in achieving these targets.

The State Government recognises that hosting conferences is more than an investment in the tourism industry and the returns that fully occupied hotel rooms bring to our economy. Business events also provide an international forum for people to connect, and ensure that collaboration, innovation and research will continue in Melbourne.

For the third consecutive year, Melbourne was named Australasia's leading meetings and conference destination at the World Travel Awards. This is recognition of the city's intellectual capital, meetings infrastructure and capability to host world-class business events.

Thank you to the MCB team, led by CEO Karen Bolinger, for their dedication to maintaining Melbourne and Victoria's position as a premier business events destination. It is their commitment that helps the State prosper.

We look forward to continuing the strong working relationship between MCB and the State Government through the new Visit Victoria in the year ahead.

The Hon. John Eren

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

“The Victorian Government recognises the positive impact of business events, as well as the beyond tourism impacts which leave lasting legacies for the state.”



CHAIRMAN'S MESSAGE

The 2015/16 financial year has been one of fantastic success for Melbourne Convention Bureau (MCB), beating all its targets, and as a result delivering significant economic investment into the state and delivering great opportunities for our members.

Karen Bolinger and her team have passionately competed globally to win new business for Victoria. MCB secured an estimated \$310M in economic contribution, 30 per cent over target, and this is against increasing competition from within the Asian region and local national competition.

MCB implemented a number of strategies to ensure that efforts were focussed on winning business that delivered the most benefit back to stakeholders and partners. This approach resulted in MCB securing 30 international association events, which will deliver over 30,000 delegates and contribute \$160 million to the economy.

With medical and health conferences delivering the highest return, MCB continued to focus its efforts on securing international association events in this sector, securing 10 events, which will contribute 36 per cent of all international association delegates and contribute \$61.4 million to the economy.

Incentives business was the strongest ever on record, with 109 events secured, which will deliver \$107 million in economic contribution and over 23,000 delegates over the next two years. This is a 120 per cent increase on the previous year.

Building of the expanded Melbourne Convention and Exhibition Centre (MCEC) has commenced. This is a big plus and will enable MCB to leverage the increasing global demand for conference and event spaces in Melbourne.

MCB is now part of Visit Victoria and we have a new Board. I would like to thank our outgoing board for their contribution to growing business events in Victoria, particularly the outgoing Board members Peter Crinis, Fran Thorn, Sarah Newton and Lyell Strambi.

Darryl Washington, Julia Langdon, Julian Clark and Peter King remain on our Board and are joined by the recently appointed new CEO of Visit Victoria Peter Bingeman. I look forward to new Visit Victoria business giving the MCB even greater opportunities to increase our contribution to our members and the State.

Once again I pay tribute to Karen and the whole MCB team, and to our stakeholders and partners for working with us to achieve this year's excellent results.

Chris Barlow

Chairman
Melbourne Convention Bureau



CEO'S MESSAGE

This year MCB exceeded all targets and I am incredibly proud of the MCB team who have driven these results. It is their passion, commitment and work ethic that maintains the states position as a premier business events destination.

With Melbourne being Australia's knowledge capital with thriving research and innovation hubs, we were able to secure high-profile and high-yield international association conferences across various industries.

Highlights include VidCon 2017, one of the world's most high profile video conferences and the first time ever it will be held in Australia, The International Conference on Composite Materials 2019, Commonwealth Law Conference 2017 and 15th Meeting of the Asia Pacific Federation of Pharmacologists 2024.

Medical and health conferences continue to be the most lucrative with our results boosted by winning the World Congress of Nephrology 2019, which will attract 4,000 delegates, delivering \$24 million in economic contribution.

Association conferences held in Melbourne are attracting record numbers, and we are seeing delegates come from new global markets. For the first time ever during 2015/16 financial year the largest number of delegates came from Japan, followed by China and United States.

“Association conferences held in Melbourne are attracting record numbers, and we are seeing delegates come from new global markets.”

This year 13,000 incentive delegates came through the city and Victorian regions and spent up in the retail, hospitality and entertainment sectors.

We delivered the 24th Asia Pacific Incentives and Meetings Expo which attracted 4,588 international and local industry professionals to learn, network and conduct business at Melbourne Convention and Exhibition Centre, while also hosting a supporting program to showcase Melbourne and Victoria's regional destinations.

MCB has evolved to become a subsidiary of Visit Victoria with the states most successful tourism entities coming together to drive the visitor economy and sell the state and our partners in a unified consistent manner. We will only be strengthened through this alignment and I thank our stakeholders and partners who have put their trust in us to continue delivering new business for you.

I would like to acknowledge the support we have received throughout the year from the Victorian State Government, City of Melbourne, Melbourne Convention and Exhibition Centre and our industry partners - who like us recognise that while business events drive economic prosperity, they also profile Victoria as a place to do business and study, showcase sector strengths, provide trade and investment opportunities, showcase policy leadership and bring world leaders to the state.

We look forward to another successful year in delivering new business to the state and powering innovation and prosperity.

Karen Bolinger
Chief Executive Officer
Melbourne Convention Bureau

KEY RESULTS SNAPSHOT

2015/16 FINANCIAL YEAR



200

events



69,000

delegates



\$310M

economic
contribution



1 CAPABILITY

1. CAPABILITY

1.1 INTERNATIONAL AND NATIONAL ASSOCIATIONS ACTIVITY AND SUCCESS

MCB is dedicated to securing major international conferences for Melbourne and continues to align with the Victorian Government future industries, a proven successful strategy.

The alignment of bidding for events with the strengths of the local community supports and stimulates the priority industries. This enables the organisation to focus its business development activities on securing events in fields the state excels in, including medical, health, science, technology, transport and professional services sectors.

Melbourne's global reputation as Australia's knowledge capital and a centre of excellence for research and innovation is a major factor in securing international association events.

Thirty international association events were secured in 2015/16 which will deliver over 30,000 delegates and contribute \$160 million to the economy.

Highlights include VidCon 2017, one of the world's most high profile video conferences and the first time ever it will be held in Australia, The International Conference on Composite Materials 2019, Commonwealth Law Conference 2017 and 15th Meeting of the Asia Pacific Federation of Pharmacologists 2024.

Forty-five international association meetings were held in 2015/16 delivering \$134.4 million in economic contribution and bringing 31,590 delegates to the state. These events held at MCEC included the Asia Pacific Conference on International Education, Asia Pacific Orthopaedic Association Congress and 8th World Congress of Behavioural and Cognitive Therapies.

MCB continues to collaborate with MCEC on the Club Melbourne Ambassador program. In 2015/16 Club Melbourne Ambassadors Professor John Bertram, Professor Yousef Ibrahim and Professor Milton Hearn AM collaborated with MCB in securing the World Congress on Developmental Origins of Health and Disease, IEEE International Conference on Industrial Technology and 8th International Conference on Green and Sustainable Chemistry respectively.

The creation of legacies as an outcome of conferences is a priority for international associations. MCB works with international associations to ensure the conference legacy objectives are met.

Melbourne's global reputation as Australia's knowledge capital and a centre of excellence for research and innovation is a major factor in securing international association events.

EVENTS HELD IN 2015/16

\$134.4 million
economic contribution

45
events

31,590
delegates

106,701
room nights

121,980
MCEC delegate days

EVENTS SECURED UP TO 2021

\$160 million
economic contribution

30
events

30,005
delegates

90,400
room nights

112,890
MCEC delegate days

HEALTH CASE STUDY

8TH ASIA PACIFIC HEART RHYTHM SOCIETY SCIENTIFIC SESSION 2015

- Date: 19-22 November 2015
- What: Annual Meeting, hosted by the Asia Pacific Heart Rhythm Society (APHRS) over four days
- Where: MCEC
- Delegates: 22,363
- 139% over delegate attendance target
- Economic contribution: \$13.9 million
- Delegates: 78% international
- 43 countries in attendance
- Top 5 countries: Japan, China, USA, Korea, Taiwan
- 850 abstract submissions

LEGACY OUTCOMES

- 15 grants made available for young researchers from developing nations to assist with their travel to Melbourne.
- Knowledge transfer from conference to developing nations including Philippines, Nepal, Indonesia, Colombia, India and China.
- Participation of young researchers throughout the program, presenting alongside industry experts and expanding their networks.



1.2 INTERNATIONAL CORPORATE MEETINGS AND INCENTIVE BUSINESS SUCCESS

MCB had its most successful incentive business year on record, securing the highest ever number of delegates for Melbourne annually.

This success has come from the incentives team vigorous activity targeting high growth markets including China and Hong Kong, as well as maintaining a strong presence with the important Malaysia, Indonesia, Singapore, Hong Kong and Taiwan markets.

A highlight was winning the bid for leading health and personal care direct selling company, Perfect China's travel reward program. Perfect China will be one of the largest incentive travel reward groups in Victoria, and will bring 6,000 delegates to the city and regional areas in June 2017 contributing \$33.4 million to the economy.

In 2015/16 164 events were held across corporate meetings and incentives. This sector combined delivered \$107.5 million in economic contribution and 31,807 delegates to the state.

The incentives team have undertaken global business development activities ensuring Melbourne maintains a high profile and is visible in a cluttered market. This has included attendance at three tradeshows including Dreamtime 2016 in Adelaide, PAICE 2016 in Auckland and Business Events Australia North Asia showcase in Shanghai.

MCB also continued to deliver strong results and showcase Melbourne and regional Victoria to the rest of Australia through its Melbourne Meetings + Events Service (MM+ES), which provides corporate meeting planners with free planning assistance. In 2015/16 MCB directly generated business for its members and secured 61 events with an estimated economic contribution of \$42 million.

MCB had its most successful incentive business year on record.

EVENTS HELD IN 2015/16

\$58.5 million

economic contribution

103

events

13,260

delegates

EVENTS SECURED UP TO 2018

\$107.5 million

economic contribution

109

Corporate Meeting and Incentive events

61

Melbourne Meetings + Events Service (MM+ES) events

23,700

delegates



"I enjoyed working with MCB. Both the client and travel agent received significant support during the decision making, trip planning and preparation process. I would like to extend a big thank you for all the assistance you provided our team."

Tupperware Indonesia

1.3 ASIA PACIFIC INCENTIVES AND MEETINGS EXPO

The 24th Asia Pacific Incentives and Meetings Expo (AIME) was held on 23 – 24 February 2016 and successfully attracted 4,588 international and local industry professionals to learn, network and conduct business at MCEC.

The AIME advisory board made up of 16 members from a cross-section of industry had input into the vision and strategic focus for AIME, with the core theme of inspiration established for the show. This set the foundation for the show content with a focus on education, networking and business opportunities which inspired new program elements. These included a revised hosted buyer program, new social networking program, enhanced education program, new look community hub and revised media program.

MCB launched a newly designed exhibition stand which showcased the best of Melbourne. The stand featured activation zones dedicated to arts and culture, fashion, sport, food, science, technology and architecture, emphasising the Team Melbourne philosophy to delivering business events.

Melbourne and Victoria's regional destinations were showcased as part of the overall program for hosted buyers and hosted media. This enabled international and domestic buyers to experience the states offering as a business events destination, with participation exclusive to MCB partners.

This pre AIME program took place from Sunday 21 February through to the evening of Monday, 22 February. The program included hotel breakfasts, regional touring, city showcase tours, cocktail reception and gala welcome event.

Over 340 hosted buyers attended AIME, with 20 per cent from international destinations representing 27 countries. Importantly 47 per cent of hosted buyers were new to AIME, a seven per cent increase on the previous year, providing good business prospects for new and returning exhibitors, considering that 66 per cent of hosted buyers had a budget of USD \$500K.

Over 8,000 appointments were held between hosted buyers and exhibitors over the two days of the show.

4,588
attendees

340
hosted buyers

523
exhibitors from 31 countries

20
new exhibitors

65%
of international hosted
buyers expected to place
Australian business post
show

270
pieces of media coverage



2016 COLLABORATION

“The Melbourne Convention Bureau has been a long-time supporter of both the Formula 1® Australian Grand Prix and Australian Motorcycle Grand Prix. Their extensive networks and expertise is integral to positioning these world-class motorsport events on a global scale, while also broadening the Australian Grand Prix Corporation’s opportunities in the incentive market. In particular, the Melbourne Convention Bureau was instrumental in helping secure the Amway Diamond Members group for the 2016 Formula 1® Rolex Australian Grand Prix and develop a customised program.”

Dirian Misko, Manager – Business Development, Australian Grand Prix Association



2. COLLABORATION

2.1 PARTNERSHIPS

Our partners are the backbone of MCB and are crucial to our ongoing success in securing and delivering business events for Victoria. Our partnership philosophy is 'Team Melbourne' which encapsulates a city-wide approach to winning business by bringing together partners in a collaborative manner, with the common end goal of delivering successful events for our clients.

Partners are made up of stakeholders; Victorian State Government, City of Melbourne and Melbourne Convention and Exhibition Centre, and over 220 partner members across professional conference organisers, hotels, airlines, venues, attractions, event providers and caterers.

In 2015/16 we introduced a new partner program featuring a tiered partnership model, providing greater opportunities for organisations to work with MCB. The new program took into consideration the needs of existing partners wanting to grow their business and engage at a premium level, as well as those new to the business events sector requiring support to build their profile and maximise opportunities.

- 6**
strategic partners
- 9**
platinum partners
- 4**
premium partners
- 5**
conference organising partners



“Our strategic partnership with the MCB is one that has proven to be highly beneficial for both Hilton Melbourne South Wharf and the MCB. It is a partnership made all the more successful due to the professionalism of Karen Bolinger and team. We have every confidence that local and international MCB representatives will continue to adopt best industry practises whilst striving to achieve the best results for ‘Team Melbourne’, which translates to significant economic benefit for the state of Victoria.

As an industry, we should all be proud of the proactive work the MCB perform in pitching Melbourne as a premium destination for meetings, incentives, conventions and events. Our active and professional strategic partnership with the MCB plays a critical role with setting up our business for success now and well into the future.”

Jeroen Meijer, Commercial Director, Hilton Melbourne South Wharf

2.2 GOVERNMENT ENGAGEMENT

MCB continued to strengthen strategic relationships with key Victorian Government departments as well as the City of Melbourne. These relationships are instrumental to a bids success through Ministerial and Councillor meetings with international decision makers.

MCB engages with Government to strengthen bids and to raise awareness of the connection between business events and Government priorities for policy, trade and investment. By aligning bids to the Victorian State Government's future industries, the benefits of business events are realised across various Government portfolios through economic prosperity, trade and investment opportunities, policy leadership, research linkages and global knowledge exchange.

The relation between conferences procured by MCB to the Health, Innovation and Trade, Industry and Employment portfolios has been recognised by the Victorian Government in its International Health Strategy 2016-2020. In addition, MCB was named as a partner in the Victorian Government Medical Technologies and Pharmaceuticals sector strategy.



2.3 BESTCITIES GLOBAL ALLIANCE

The BestCities Global Alliance is an international network of 11 Convention Bureaus unified by a commitment to deliver exceptional standards and exchange intelligence on non-competing convention business.

For a meeting planner, national or international association, selecting an alliance partner guarantees services of the highest possible standards in destination expertise, bid assistance, conference planning, building attendance and onsite event servicing.

As the first convention bureau alliance, BestCities is considered both innovative and revolutionary in today's meetings industry. In 2015/16 MCB CEO Karen Bolinger was Chair of the group.

MCB participates in a number of activities with BestCities including joint industry events, workshops, collaborative PR and education.



2.4 STRATEGIC INTERNATIONAL PARTNERSHIPS

To improve business prospects and identify new commercial opportunities MCB has diversified its partnerships to form alliances with international associations that assist us in positioning Melbourne as Australia's leading business events destination and generate new sales leads.



www.pcma.org/citywide-auction

2.5 VISIT VICTORIA

In 2015/16 MCB participated in the Visit Victoria transition to integrate MCB as a subsidiary of Visit Victoria.

In May MCB held a vote of its members to determine how it would work as part of Visit Victoria. The Extraordinary General Meeting was held on 23rd May and the vote was taken on key constitutional changes creating a 'V Class' membership with 51 per cent voting rights and the remaining 49 per cent voting rights being retained by existing membership classes. MCB will retain its ABN, board, CEO and business model. A number of caveats around funding levels and shared services were also agreed. The members voted to accept these changes and MCB became a subsidiary of Visit Victoria on 23rd May, 2016.





3 INNOVATION

3. INNOVATION

3.1 WINNING BUSINESS THROUGH INNOVATION AND COLLABORATION

Melbourne is Australia's knowledge, research and innovation capital. Melbourne's global reputation as a centre of expertise in science, medical, health, technologies, start-ups and professional services is a drawcard for international associations.

MCB has harnessed these credentials to attract international conferences to the state, by highlighting the states sector strengths to global markets through innovation and collaboration.

TEAM MELBOURNE

MCB garners the support of the city in bringing new conference and incentive business to the state by facilitating city-wide collaboration during the business development and bid process. Known as Team Melbourne this approach brings together stakeholders to offer a united bid proposition that will benefit the prospective client and the state.

CLUB MELBOURNE AMBASSADOR PROGRAM

MCB partners with MCEC on the Club Melbourne Ambassador program which brings together leaders in diverse fields to assist in securing and hosting international conferences in Victoria.

In 2015/16 Club Melbourne ambassadors assisted MCB in securing 12 conferences, worth \$91 million to the state.

LEGACY

Satisfying legacy outcomes and meeting business objectives are a key driver for an organisation to choose Melbourne as a host destination. MCB works with organisations to assist in facilitating legacy outcomes which have a long term impact on the sector and broader community. Where relevant MCB's communications unit promotes the legacy outcomes to local and international media, benefitting the host organisation and the state of Victoria.

GLOBAL PRESENCE

The business development team had a robust schedule of business development activity to drive new business to Victoria. The team attended 20 global tradeshows and conferences across nine countries including IMEX Frankfurt, IMEX Las Vegas, Convening Leaders Vancouver, ICCA Congress Buenos Aires and IBTM Barcelona. This enabled MCB to engage directly with influential decision makers and showcase Melbourne's knowledge sector and hosting capability credentials.



HEALTH AND MEDICAL CONFERENCES

MCB has harnessed the cities credentials as the Australia's leader in health and medical research and innovation to focus a large proportion of resources on targeting this high yield sector. Average conference organiser expenditure in health is \$6.1 million and medical \$5.4 million, which is the highest spend of all industry sectors, with funds directed back into local business.

MCB secured 10 medical and health events, which contributed 36 per cent of all international association delegates and contributed \$61.4 million to the economy, just under 20 per cent of total economic contribution for 2015/16.

PCMA CITYWIDE AUCTION

Through the partnership with PCMA, MCB and MCEC collaborated to deliver the first ever international auction of a convention centre, launched in January 2016 at Convening Leaders 2016 in Vancouver.

The 2016 PCMA Citywide Auction of Melbourne was the first-time ever PCMA has partnered with a convention centre and convention bureau outside of North America to deliver the CityWide Auction.

LEAD GENERATION THROUGH RESEARCH

The research unit assisted the business development team to identify future conferences aligned with MCB's priority sectors as well as undertake comprehensive competitor destination analysis. From this 156 new leads worth a potential \$452 million were identified as prospective conferences for Melbourne.

AWARDS

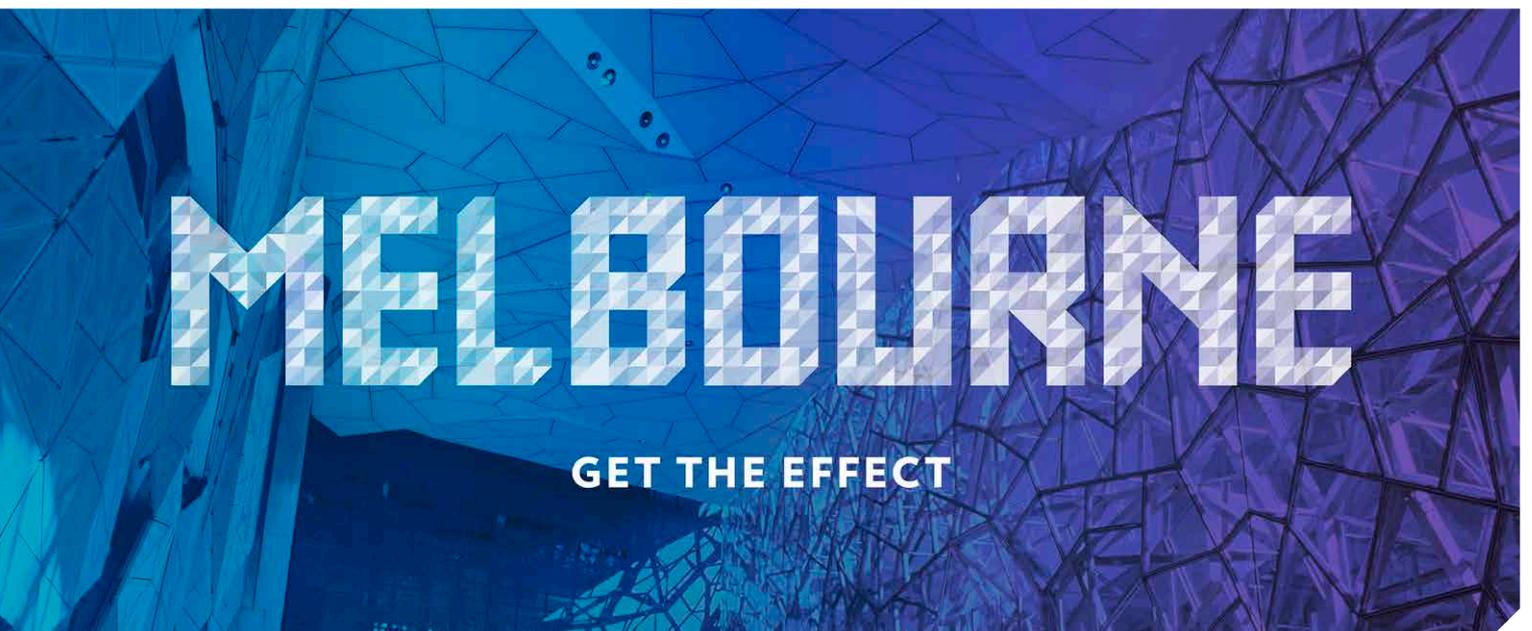
In 2015/16 MCB was recognised for its world-first achievement of hosting five of the world's largest health conferences in one year (2013/14), awarded the Melbourne Award for Contribution to a Profile by a Corporation, by the City of Melbourne.

Melbourne was also named Australia's Leading Meetings and Conference Destination for the third consecutive year at the World Travel Awards.

THE MELBOURNE EFFECT

MCB's brand positioning campaign, The Melbourne Effect, highlights Melbourne as a world leading conference, meetings and incentive destination. It showcases Melbourne's knowledge sector strengths and intellectual capacity and the cities hosting capabilities and collaboration opportunities, which combined lead to real outcomes for organisations hosting an event in Melbourne.

This brand positioning campaign was utilised across MCB's marketing channels including AIME, advertising, public relations and brand.





4 IMMERSION

4. IMMERSION

4.1 CONVENTION SERVICING

The Convention Services team fulfil the full service bureau mandate of MCB. Following the selection of Melbourne as a host city for a convention, a long process of planning gets underway, often from overseas. The role of the MCB Convention Services team is to support event planners all the way to the successful conclusion of their events.

This includes delegate boosting which incorporates marketing and promotional activity in the years preceding a Melbourne event to help drive attendance. Delegate boosting took place for major upcoming international events including the International Congress of Immunology in Vienna, Seattle and Hokkaido, and the Intelligent Transport Systems World Congress in Bordeaux, Tokyo and Beijing.

In 2015/16 delegate materialisation increased by four percent on the previous year, with new conference attendee markets emerging. Japan, China and the United States were the top international attendees.

The convention services team supported 25 events in 2015/16, 44 per cent of which exceeded its attendance target.

A key function of the convention services team is connecting the breadth of MCB partners to event planners. The depth and calibre of MCB partners ensures that MCB is well-positioned to assist clients with introductions and proposals.



4.2 SITE VISITS

In 2015/16 the International Association team hosted 16 international site visits for key decision makers for qualified bid opportunities. The purpose of the site visits is to demonstrate why Melbourne is the ideal city for their next business event. The visits showcase the proposed venue and accommodation facilities and include meetings with representatives from State Government, City of Melbourne and relevant industry colleagues. Regional Victoria is also showcased to encourage pre and post touring.

Of the 16 site visits, seven were subsequently won and four are still pending a decision.

The corporate meetings and incentive team brought 30 buyers to Melbourne for site visits, from New Zealand, Japan, Hong Kong and North America which is a growing market for Melbourne. The city and regional areas were showcased to these influential incentive planners, enabling them to experience the diversity of incentive products the state has to offer, as well as showcase our partners.





DIRECTORS' REPORT

MELBOURNE CONVENTION BUREAU







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The Directors present their report together with the financial report of Melbourne Convention Bureau Ltd (the “Company”), for the financial year ended 30 June 2016 and the auditor’s report thereon.

1. DIRECTORS

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

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
Christopher Barlow B.Sc. (Honours) Civil Engineering Independent Non-Executive Director	Appointed 27 November 2001 Appointed Chairman 28 November 2007 Chairman Remuneration Committee. Board member of Visit Victoria. Non-Executive Director and Chair of Remuneration Committee – Asciano Group; Chairman Northern Territory Airports (Darwin and Alice Springs). Board member Australian Rail Track Corporation. Previously Chief Executive Officer & Managing Director - Australian Pacific Airports Corporation (operators of Melbourne & Launceston Airports); formerly Developmental Director of BAA plc. Chartered Engineer.
Julian Clark Independent Non-Executive Director	Appointed 24 November 2009 Risk Committee Chair CEO – The Lancemore Group (Victorian Hotels - Mansion Hotel & Spa at Werribee Park, Lindenderry at Red Hill, Lindenwarrah at Milawa, Lancemore Hill at Macedon Ranges and Yarra Valley Lodge). Chairman of the Accommodation Association of Australia (AAoA). Previously board member of the Victorian Tourism Industry Council (VTIC).
Peter Crinis Independent Non-Executive Director	Appointed 24 November 2010 Resigned 23 May 2016 Remuneration Committee Member from May 2013 Chief Operating Officer – Hotels and Food & Beverage, Crown Melbourne Limited. Board Member of Visit Victoria, Board member of Melbourne Food and Wine Festival, Board member of Tourism Accommodation Australia. Previously Board Member, Tourism Victoria.
Simon Gandy Independent Non-Executive Director	Appointed 13 August 2015 Resigned 2 November 2015 Executive Aeronautical, Melbourne Airport. Acting Chief Executive Officer of Melbourne Airport from July 2015 to September 2015.
Peter King Independent Non-Executive Director	Appointed 31 January 2012 Deputy Chairman Audit & Finance Committee Member from February 2012 Risk Committee Member from February 2012 Chief Executive - Melbourne Convention and Exhibition Centre. Deputy Chairman, BECA (Business Events Council of Australia) and Board member of EEAA (Events and Exhibition Association of Australasia). MCC Committee (Melbourne Cricket Club) and Chair of Cricket at the MCC.
Julia Langdon B. Com, B. Sc, FCA ANZ. Independent Non-Executive Director	Appointed 9 May 2013 Audit & Finance Committee Chair Remuneration Committee Member from May 2013 Partner, Advisory – Ernst & Young. Specific experience in risk management.

1. DIRECTORS (CONTINUED)

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
<p>Sarah Newton Independent Non-Executive Director</p>	<p>Appointed 15 December 2014 Resigned 23 May 2016</p> <p>Deputy Dean (External Relations), Monash University - Responsible for the strategic management of industry, government, philanthropic and clinical partner relationships for the Faculty of Medicine, Nursing and Health Sciences.</p> <p>Previously Executive Director Research for the Office of the Deputy Vice-Chancellor Research, Monash University, and prior to this as Director of Industry Engagement, Monash University.</p> <p>Alumnus of Monash, Bachelor Arts and Graduate Diploma Education from Monash University, Master of Arts (Organisational Development) from Middlesex University.</p>
<p>Lyell Strambi Independent Non-Executive Director</p>	<p>Appointed 2 December 2015 Resigned 23 May 2016</p> <p>Managing Director & Chief Executive Officer of Melbourne Airport. Director of Visit Victoria and President, South Eastern Section, Royal Flying Doctors Service.</p> <p>Previously CEO of Qantas Domestic, Group Executive Operations - Qantas, Chief Operating Officer - Virgin Atlantic and various executive roles with Ansett Australia.</p>
<p>Fran Thorn Independent Non-Executive Director</p>	<p>Appointed 31 August 2012 Risk Committee Member from May 2013</p> <p>Partner - Deloitte. Former Secretary Department of Health, Victoria, Secretary Department of Human Services, Victoria and Secretary Department of Innovation, Industry and Regional Development, Victoria.</p>
<p>Darryl Washington B.Com (Melb), ASA Independent Non-Executive Director</p>	<p>Appointed 15 January 1996 Audit & Finance Committee Member from December 2011</p> <p>General Manager - Tourism Accommodation Australia (Vic) and AHA (VIC) Accommodation Division; Director and V.P. United Inn-Keeper Association Ltd and co-chair City of Melbourne hospitality advisory & retail board.</p> <p>Former AHA State and National President & Managing Director, United Innkeeper Hotels.</p>
<p>Chris Woodruff Independent Non-Executive Director</p>	<p>Appointed 28 November 2007 Resigned 2 July 2015</p> <p>Previously 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-five years, was appointed to the position of Company Secretary on 18 October 2006.

3 DIRECTORS' MEETINGS

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

Director	Board of Directors Meetings		Audit and Finance Committee Meetings		Risk Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B	A	B
Christopher Barlow	8	8	1*	1*	-	-	1	1
Julian Clark	8	6	-	-	2	2	-	-
Peter Crinis	7	6	-	-	-	-	1	1
Simon Gandy	2	0	-	-	-	-	-	-
Peter King	8	7	3	3	2	2	-	-
Julia Langdon	8	5	3	3	-	-	1	1
Sarah Newton	7	4	-	-	-	-	-	-
Lyell Strambi	4	3	-	-	-	-	-	-
Fran Thorn	7	4	-	-	2	1	-	-
Darryl L Washington	8	6	3	3	-	-	-	-

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

B Number of meetings attended

* By invitation only

4 ENVIRONMENTAL REGULATION

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

5 PRINCIPAL ACTIVITIES

The principal activities of the Company during the year ended 30 June 2016 comprised of business development activities promoting Melbourne as Australia's premier business events destination and the securing of business events for Victoria. These assist in achieving the Company's short term and long term objectives of generating economic wealth for Melbourne and regional Victoria by securing national and international conventions, corporate meetings, exhibitions and incentive travel reward programs. The Company measures its performance by assessing the economic contribution delivered as a direct result of the business secured.

6. OPERATING AND FINANCIAL REVIEW

Revenue from operations for the year ended 30 June 2016 was \$9,532,412 (2015: \$9,049,203). The result for the year ended 30 June 2016 is a deficit of \$134,598 (2015: \$100,168 surplus). A detailed review of Company operations for the year is included in the CEO's report.

Significant changes in the state of affairs

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

7. DIVIDENDS

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

8. EVENTS SUBSEQUENT TO REPORTING DATE

On 13 August 2015 the State Government announced actions arising from the Victorian Visitor Economy Review that commenced in March 2015. A new organisation, Visit Victoria has been established. Following changes to the constitution of the Company approved by members at the Extraordinary General Meeting held on 23 May 2016, the Company will operate as a subsidiary of Visit Victoria commencing 1 July 2016.

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 \$2,269 (2015: \$5,417) in respect of Directors' and Officers' liability insurance. These insurance premiums related to insurance of Directors and Officers of the Company named in this report, and to former Directors and Officers of the predecessor companies, Melbourne City Marketing Limited and The Melbourne Convention & Tourism Authority. The policies do not specify the premium for individual Directors and Officers.

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

11. MEMBER'S GUARANTEE

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

At 30 June 2016 the number of members was 218 (2015: 245).

12. 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 2016.

This report is made with a resolution of the Directors:



Christopher Barlow

Director



Peter King

Director

Dated at Melbourne this 18th day of August 2016.

**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Revenue	4	9,109,537	8,849,166
Other income		422,875	200,037
Sales and marketing expenses		(8,024,760)	(7,451,252)
Administrative expenses		(1,685,780)	(1,563,892)
Result from operating activities		(178,128)	34,059
Finance income		46,413	71,179
Finance costs		(2,883)	(5,070)
Net finance income	5	43,530	66,109
(Loss)/profit for the year		(134,598)	100,168
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Total comprehensive income for the year		(134,598)	100,168

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2015 \$	2014 \$
Assets			
Cash and cash equivalents	6	2,610,093	3,449,742
Trade and other receivables	7	1,059,922	247,318
Total current assets		3,670,015	3,697,060
Plant and equipment	8	50,827	113,351
Intangibles assets	9	130,227	256,422
Total non-current assets		181,054	369,773
Total assets		3,851,069	4,066,833
Liabilities			
Trade and other payables	10	1,567,622	1,609,532
Borrowings	11	16,727	16,320
Employee benefits	12	599,423	599,928
Provisions	13	128,500	139,426
Total current liabilities		2,312,272	2,365,206
Borrowings	11	14,258	30,985
Employee benefits	12	31,693	43,198
Total non-current liabilities		45,951	74,183
Total liabilities		2,358,223	2,439,389
Net assets		1,492,846	1,627,444
Equity			
Retained earnings		1,492,846	1,627,444
Total equity		1,492,846	1,627,444

The notes on pages 30 to 42 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Retained earnings		
Opening balance at 1 July	1,627,444	1,527,276
Total comprehensive income for the year		
Profit for the year	(134,598)	100,168
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	(134,598)	100,168
Closing balance at 30 June	1,492,846	1,627,444

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Cash received from customers and funding bodies		9,228,735	9,892,994
Cash paid to suppliers and employees		(10,041,533)	(10,643,453)
Cash generated from operations		(812,798)	(750,459)
Interest received		46,413	71,179
Interest paid		(2,883)	(1,382)
Net cash (used in) operating activities		(769,268)	(680,662)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	-
Acquisitions of plant and equipment		(17,218)	(12,615)
Acquisitions of intangibles		(36,843)	(74,812)
Net cash (used in) investing activities		(54,061)	(87,427)
Cash flows from financing activities			
Finance lease payments		(16,320)	(15,922)
Net cash (used in) financing activities		(16,320)	(15,922)
Net increase in cash and cash equivalents		(839,649)	(784,011)
Cash and cash equivalents at 1 July		3,449,742	4,233,753
Cash and cash equivalents at 30 June	6	2,610,093	3,449,742

The notes on pages 30 to 42 are an integral part of these financial statements

1. REPORTING ENTITY

Melbourne Convention Bureau Ltd (the 'Company') is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia and is at and for the year ended 30 June 2016. The address of the Company's registered office is level 12, IBM Centre, 60 City Road, Southbank Victoria, Australia. The Company operates in one industry and geographic segment, being the provision of convention and destination marketing for Victoria, Australia.

2. BASIS OF PREPARATION

(a) STATEMENT OF COMPLIANCE

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

The financial statements were authorised for issue by the Board of Directors on 18th August 2016. Details of the company's accounting policies, including changes during the year, are included in note 3.

(b) BASIS OF MEASUREMENT

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

(c) FUNCTIONAL AND PRESENTATION CURRENCY

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

(d) USE OF ESTIMATES AND JUDGEMENT

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

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

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

(e) GOING CONCERN

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

3. SIGNIFICANT ACCOUNTING POLICIES

Except for any changes noted in 3(n), the accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

(a) FOREIGN CURRENCY TRANSACTIONS

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) FINANCIAL INSTRUMENTS

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

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

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

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

(ii) Non-derivative financial assets – measurement

The Company has the following non-derivative financial assets:

Receivables

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

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

Cash and cash equivalents

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

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

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

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

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

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

(iv) Non-derivative financial liabilities – measurement

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

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

(c) PLANT AND EQUIPMENT

(i) Recognition and measurement

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) PLANT AND EQUIPMENT (CONTINUED)****(ii) Subsequent expenditure**

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

(iii) Depreciation

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

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

	2016	2015
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 that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortisation

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

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

	2016	2015
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.

Financial assets measured at amortised cost

Loans and receivables

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

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

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

(ii) Non-financial assets

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payment is available.

(ii) Other long-term employee benefits

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

(iii) Short term benefits

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(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, where fair value is determined with reference to similar goods and services.

(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.

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

(l) INCOME TAX

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(m) GOODS AND SERVICES TAX**

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

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

(n) NEW STANDARDS AND INTERPRETATIONS**(i) Change in accounting policies**

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

(ii) New standards and interpretations not yet adopted

In the current year, the entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2015. The adoption of these new and revised Standards and Interpretations has resulted in no changes to the Company's accounting policies.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were on issue but not yet effective.

(n) NEW STANDARDS AND INTERPRETATIONS (CONTINUED)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2015-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017

The Directors anticipate that the above amendments and interpretations will not have a material impact on the financial report of the Company in the year of initial application. In addition to the standards issued above, other standards have been issued by the AASB, these standards are not relevant to the operations of the Company.

4. REVENUE

	2016 \$	2015 \$
State Government funding - MCET ¹	1,700,000	1,500,000
State Government funding - DEDJTR ²	4,000,000	4,025,000
City of Melbourne funding	500,000	700,000
Industry co-operative revenue	1,367,057	1,258,368
Member revenue	941,515	971,243
Advertising sales revenue	197,043	251,745
In-kind co-operative revenue	403,922	142,810
	9,109,537	8,849,166

¹ MCET - Melbourne Convention and Exhibition Trust

² DEDJTR - Department of Economic Development, Jobs, Transport & Resources

5. FINANCE INCOME AND FINANCE COSTS

	2016 \$	2015 \$
Interest income on bank deposits	46,413	71,179
Finance income	46,413	71,179
Interest expense on financial liabilities	(2,883)	(5,070)
Finance costs	(2,883)	(5,070)
Net finance income	43,530	66,109

6. CASH AND CASH EQUIVALENTS

	2016 \$	2015 \$
Bank balances	2,606,619	3,445,780
Cash on hand	3,474	3,962
Cash and cash equivalents in the statement of cash flows	2,610,093	3,449,742

7. TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
Trade receivables	1,016,071	148,861
Provision for impairment	(53,264)	(23,147)
Other receivables and prepayments	97,115	121,604
	1,059,922	247,318

Impairment losses

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

	2016 \$	2015 \$
Balance at 1 July	23,147	31,792
Impairment loss (derecognised)/recognised	30,117	(8,645)
Balance at 30 June	53,264	23,147

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

8. PLANT AND EQUIPMENT

	Leasehold Improvements \$	Plant and Equipment \$	Leased Plant \$	Total \$
Cost				
Balance at 1 July 2014	432,712	588,582	81,312	1,102,606
Acquisitions	-	12,615	-	12,615
Disposals	-	(5,119)	-	(5,119)
Balance at 30 June 2015	432,712	596,078	81,312	1,110,102
Balance at 1 July 2015	432,712	596,078	81,312	1,110,102
Acquisitions	-	17,218	-	17,218
Disposals	-	(133,834)	-	(133,834)
Balance at 30 June 2016	432,712	479,462	81,312	993,486
Depreciation and amortisation				
Balance at 1 July 2014	321,982	537,381	16,308	875,671
Depreciation	74,743	35,194	16,262	126,199
Disposals	-	(5,119)	-	(5,119)
Balance at 30 June 2015	396,725	567,456	32,570	996,751
Balance at 1 July 2015	396,725	567,456	32,570	996,751
Depreciation	35,987	27,493	16,262	79,742
Disposals	-	(133,834)	-	(133,834)
Balance at 30 June 2016	432,712	461,115	48,832	942,659
Carrying amounts				
At 1 July 2014	110,730	51,201	65,004	226,935
At 30 June 2015	35,987	28,622	48,742	113,351
At 1 July 2015	35,987	28,622	48,742	113,351
At 30 June 2016	-	18,347	32,480	50,827

9. INTANGIBLE ASSETS

	Computer Software	Under Construction	
Total	\$	\$	\$
Cost			
Balance at 1 July 2014	440,231	35,067	475,298
Acquisitions	50,979	23,833	74,812
Disposals/transfers	52,600	(52,600)	-
Balance at 30 June 2015	543,810	6,300	550,110
Balance at 1 July 2015	543,810	6,300	550,110
Acquisitions	36,843	-	36,843
Disposals/transfers	6,300	(6,300)	-
Balance at 30 June 2016	586,953	-	586,953
Depreciation and amortisation			
Balance at 1 July 2014	144,811	-	144,811
Amortisation	148,877	-	148,877
Disposals	-	-	-
Balance at 30 June 2015	293,688	-	293,688
Balance at 1 July 2015	293,688	-	293,688
Amortisation	163,038	-	163,038
Disposals	-	-	-
Balance at 30 June 2016	456,726	-	456,726
Carrying amounts			
At 1 July 2014	295,420	35,067	330,487
At 30 June 2015	250,122	6,300	256,422
At 1 July 2015	250,122	6,300	256,422
At 30 June 2016	130,227	-	130,227

10. TRADE AND OTHER PAYABLES

	2016 \$	2015 \$
Trade payables		
Trade payables	209,031	154,567
Income in advance	151,418	84,548
Other payables and accrued expenses	544,320	513,843
City Wide Support Package expenditure commitment	662,853	856,574
	1,567,622	1,609,532

11. BORROWINGS

	2016 \$	2015 \$
Current liabilities		
Current portion of finance lease liabilities	16,727	16,320
	16,727	16,320
Non-current liabilities		
Finance lease liabilities	14,258	30,985
	14,258	30,985
	30,985	47,305

Finance lease liabilities

Finance lease liabilities of the Company are payable as follows:

	Future minimum lease payments 2016 \$	Future minimum lease payments 2015 \$
Less than one year	17,304	17,304
Between one and five years	14,420	31,724
More than five years	-	-
	31,724	49,028
Future finance charges	(739)	(1,723)
Total lease liabilities	30,985	47,305

12. EMPLOYEE BENEFITS

	2016 \$	2015 \$
Current		
Liability for annual leave	213,100	232,644
Liability for long service leave	167,321	152,228
Accrued superannuation	4,695	43,894
Employee bonus liability	214,307	171,162
	599,423	599,928
Non-current		
Liability for long service leave	31,693	43,198
	31,693	43,198
	631,116	643,126

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

Defined contribution superannuation plans

The Company has paid contributions of \$276,055 to defined contribution superannuation plans on behalf of employees for the year ended 30th June 2016 (2015: \$292,987).

13. PROVISIONS

	Lease Incentive \$	Leasehold Make Good \$	TOTAL \$
Balance at 1 July 2015	12,825	126,601	139,426
Provisions made during the period	-	-	-
Provisions used during the period	(12,825)	-	(12,825)
Provisions reversed during the period	-	-	-
Unwind of discount	-	1,899	1,899
Balance at 30 June 2016	-	128,500	128,500
Current	-	128,500	128,500
	-	128,500	128,500

Leasehold Make Good

A provision of \$128,500 is recorded at 30 June 2016 in respect of the company's obligation to make good its IBM Centre leasehold premises upon completion of the current lease, including short term lease extensions, on 28 February 2017. 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:

	2016 \$	2015 \$
Less than one year	305,493	175,580
Between one and five years	-	-
More than five years	-	-
	305,493	175,580

The Company leases office premises in Southbank, Melbourne on commercial terms; the previous 5-year lease expired effective 30 December 2015. The Company has secured short term extensions to the previous lease agreements until February 2017. It is planned that the Company will relocate in December 2016 to premises in Docklands leased by Visit Victoria.

During the year \$274,073 was recognised as an expense in profit or loss in respect of operating leases (2015: \$246,043).

15. CONTINGENT LIABILITIES**Expenditure commitments**

The Company has commitments of \$1,059,734 (2015: \$1,264,804) for collateral and services delivery for fifty-one (2015 fifty-four) events taking place in the next nine (2015: seven) 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 \$1,151,121 for the year ended 30 June 2016 (2015: \$988,408). Key management personnel compensation includes the payment of Director's Fees to Christopher Barlow of \$40,075 (2015: \$40,075).

(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:

	Transaction	Note	Transaction value year ended 30 June		Balance outstanding as at 30 June	
			2016 \$	2015 \$	2016 \$	2015 \$
Key Management person related parties						
Dr. K. Alexander - City of Melbourne	Revenue - City of Melbourne funding	(i)	500,000	700,000	-	-
	Revenue - sales and marketing		31,804	5,000	-	-
	Expenditure - sales and marketing		-	5,000	-	-
Ms. K. Brennan - Federation Square	Revenue - member and marketing	(ii)	3,500	3,068	-	-
Mr. J. Clark - The Lancemore Group	Revenue - member and advertising sales	(iii)	2,000	1,573	-	-
Mr. P. Crinis - Crown Melbourne Limited	Revenue - member and advertising sales	(iv)	118,667	171,996	-	82,029
	Expenditure - sales and marketing		11,122	30,664	-	-
Mr. P. King - Melbourne Convention and Exhibition Trust	Revenue - MCET funding	(v)	1,700,000	1,500,000	-	-
	Revenue - sales and marketing		38,817	126,184	-	10,954
	Expenditure - sales and marketing		41,405	27,960	-	-
Mr L Strambi - Australian Pacific Airports Corporation	Revenue - member sales	(vi)	25,000	22,727	-	-
Mr D Washington - Australian Hotels Association	Revenue - member and marketing	(viii)	2,000	1,573	-	-

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

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

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

	2016 \$	2015 \$
Current receivables		
Trade debtors	-	92,983
Less: Impairment loss	-	-
	-	92,983
Current Payables		
Trade creditors	-	-
Less: Impairment loss	-	-
	-	-

17. EVENTS SUBSEQUENT TO REPORTING DATE

On 13 August 2015 the State Government announced actions arising from the Victorian Visitor Economy Review that commenced in March 2015. A new organisation, Visit Victoria has been established. Following changes to the constitution of the Company approved by members at the Extraordinary General Meeting held on 23 May 2016, the Company will operate as a subsidiary of Visit Victoria commencing 1 July 2016. The anticipated changes have no impact on the 2016 annual financial statements and it is impracticable to determine the financial effects on the Company's future financial statements at the date of issuance of these financial statements.

DIRECTORS' DECLARATION

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

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes, set out on pages 28 to 42, 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 2016 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 18th day of August 2016.



Christopher Barlow

Director



Peter King

Director

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

To: the directors of Melbourne Convention Bureau Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 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



Dana Bentley

Partner

Melbourne

18th August 2016

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Independent audit report to the members of Melbourne Convention Bureau Limited

We have audited the accompanying financial report of Melbourne Convention Bureau Limited (the Company), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 17 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*.

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Auditor's opinion

In our opinion the financial report of Melbourne Convention Bureau Limited 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 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

KPMG

KPMG

Dana Bentley
Partner

Melbourne
18th August 2016



MELBOURNE CONVENTION BUREAU

HEAD OFFICE - MELBOURNE

Level 12 IBM Centre
60 City Road
Southbank Victoria 3006
Australia
T +61 3 9693 3333
F +61 3 9693 3344
info@melbournecb.com.au

London

Victoria House at the Australia Centre
Corner of Melbourne Place & Strand
London WC2B 4LG
United Kingdom
T +44 (0) 20 7836 7766
europe@melbournecb.com.au

New York

Myriad Marketing
20 West 22nd Street, Suite 603
New York City, NY 10010
USA
T + 1 212 206 7632
northamerica@melbournecb.com.au

Shanghai

Rm 5205, Wheelock Square
No. 1717 West Nanjing Road
Shanghai 200040
China
T +86 21 6010 3959/+86 21 6010 3965
F +86 21 6010 3989
shanghai@melbournecb.com.au

Kuala Lumpur

T: +6012 884 8388
kualalumpur@melbournecb.com.au

