

**PMI:** *The preeminent industry leader and standard bearer for the Project Management Profession.*



Making project management indispensable for business results.™

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**Project Management Institute  
Melbourne Chapter**

# 2008 Annual Report

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*Melbourne Chapter of the  
Project Management  
Institute*

*Project Management  
Excellence  
for Success in the Global  
Economy*

V1.0  
21/02/2009

## PMI offers the only global certification for the Project Management profession.

Today, with 250 Chapters in over 70 Countries and nearly 420,000 members and 270,000 individuals holding the Project Management Professional (PMP®) credential, making it the most widely recognised – and the only global – certification in the profession.

With more than one million members, credential holders, volunteers and trained project professionals worldwide, PMI advocates project, program and portfolio management can enhance and accelerate organizational change – driving innovation, improving bottom line performance, and strengthening competitive advantage

*“Trying to manage a project without project management is like trying to play a football game without a game plan”.*

K. Tate

- ❖ The most important benefit of Project Management for
  - Small Business
  - Corporations
  - Organisations
  - Government

is the improved ability to execute and deliver strategic initiatives

- on time
  - with minimal risk, and
  - assured quality
- 
- ❖ **Project:** Any endeavour designed to close the gap between strategy and delivery of outcomes
  - ❖ **Project Management:** The unique organisational competency to manage change for competitive advantage
  - ❖ **Project Management Primary Purpose:** Focus resources required to create or drive results, including:
    - Time
    - Money
    - People
    - Materials

Source: Project Management Institute

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*"Whilst you can practice good project management without EVM, you cannot practice EVM effectively without good project management."*  
*Steve Crowther, British Aerospace (BAe)*

*The demand for PMPs is growing rapidly.*

- ❖ **Fortune 500 companies.** Recognising the positive impact an experienced Project Manager can make on the corporation's ability to achieve its goals, more and more of the Fortune 500 are hiring certified Project Management Professionals to head up their key projects.
- ❖ **CIO magazine**, with a global audience of more than 140,000 chief information officers and senior executives, surveyed over 500 IT executives. According to the "State of the CIO" report, over half of the respondents listed Project Management as the skill they look for most when hiring IT professionals.
- ❖ **Over the last decade**, modern professional project management (PM) has been embraced by organizations involved in information technology (IT) more rapidly and more seriously than in any other sectors. The increased use of PM in technology organizations has been astounding, as reflected by the rapid growth in membership in the Project Management Institute (PMI). PMI has seen its membership grow with 80% of the new members working in IS, IT, Telecoms and other technology-oriented organizations.



## Welcome by President

During 2007, the Chapter became involved in the development and trialling of the PMI's Performance Management Framework (PMF) which lead to the development of our first fully documented (strategic) business plan. The implementation of the business plan is going to be a multi-year journey and the Board has no illusions about the enormity of the job ahead.

The plan was used to guide the Board's efforts to improve delivery of member services and strengthen the Chapter's governance processes during 2008 and it provides the foundation for continuing those efforts into 2009 and beyond.

## 2008 in highlight

The Events team developed a simple plan to complement the Chapter's Business Plan – find Speakers who can enthral and entertain. The effectiveness of their plan is evidenced by the attendance at the monthly events averaging 150 per meeting and overall more than 55% of the Chapter's membership had attended one or more monthly events.

The icing on the event team's cake was the combined November/December event at which Peter Baines (a world renowned Disaster Management Specialist) presented on 'project managing a large scale disaster victim identification management exercise'. Over 190 members attended and the support for the professionalism of the event and the Speaker has been overwhelming.

Effective communications with our membership & friends is critical to the Chapter's continued stability, growth, and reputation. The Communications team had two (2) large projects to deliver in 2008. The first being the replacement of the old newsletter publishing engine with a new contact management system, their success is evidenced by (huge) improvement in the clarity and quality of the newsletters which has resulted in an increased demand for the newsletter of 15.5%.

Their second project, and probably the most obvious change and certainly largest undertaking by the Chapter, was the replacement of the Chapter's 14 year old Web Site. In 2007 the business requirements were completed, the

tender went to market and the vendor was selected. In November of 2008 the Communications Team implemented the new Web Site. The team are not finished yet; they plan to revamp the Australian PMI Chapters (APC) Web Site during 2009 and continue to improve to the Chapter's Web Site.

The Web Site has been so successful that the Australian PMI Chapters Board (APC) has directed all Chapters to migrate to the new look and feel Web Site. So far the South Australia and Canberra Chapters are in the process of migrating and the Sydney Chapter are planning on doing so during 2009.

The Professional Development team have built on the good work of previous years and delivered 13 separate course types during 2008. The breadth of courses provides many opportunities for members and non-members to become certified and/or up-lift their skills and knowledge in project management. The variety of courses also provide ample opportunity to acquire Professional Development Units (PDUs) to maintain you certification.

The further slow-down in membership growth (+5%) in 2008 is a sign that we must be more active in seeking new Chapter members and explaining the benefits of being a member. The Chapter has a strong membership retention rate which is evidence that the Chapter is providing the services members require.

Behind the scenes the Board targeted Chapter governance for improvement. It was realised by the Board that the nomination processes needed reviewing, to that end a report was commissioned by the Board that identified a number of potential improvements that have been implemented.

The Board commenced work on revising the Chapter's Rules of Association in late 2007. This review has produced a draft set of governance documents which include; the revised Rules of Association and a Chapter handbook. The revised Rules will be put to the membership early in 2009.

In addition to the 'local' work the Chapter Board does, the Chapter is very active in improving project management across Australia through our membership of the Australian PMI Council (APC) and Region-10 and has been instrumental in initiation and development of the single National

Chapter with Branches project, lobbying PMI Global Operations Centre (PMI-GOC) for an Australian PMI Business Development Office, and the professionalisation of the PMI project management awards.

During 2008 the Chapter continued supporting Project Aid ([www.projectaid.org](http://www.projectaid.org)) in their efforts to provide post disaster project management support, coaching, mentoring, and training services

The Chapter has been involved in the delivery of successful project management conferences since 2002 and has continued that tradition with PMOz2008 and marketed it as the 1st National Australian PMI Conference - It was delivered right here in Melbourne. The Chapter, as the principal supporting partner with PMglobal, has organised the second national PMI conference which will be held in Canberra during August 2009.

The changes and improvements described above couldn't have been achieved without the support of all of the Chapter's Volunteers, whether they man the counter at events or sit on the Board. To them we owe truly owe our appreciation for the strength of the Chapter is measured by the number of people willing to devote their free time and skills to the benefit of others.

### Board Attendance in 2008

Following the 2007 AGM on the 25th March 2008, nine (9) Board Meetings were held from April 2008 through to February 2009. This is slightly less than in previous years as the Chapter has brought the AGM forward from March to February.

Our aim is align the operational and financial years which means we want the AGM occur at the end of the year rather than at the end of the first quarter of the New Year.



### Looking Ahead

The Chapter Board has already developed the 2009 Business Plan and our vision for 2009 includes:

1. Enact the revised Chapter rules and other governance documents
2. Continue to develop our relationship with the Chapter's training providers and acquire a new short course provider
3. Introduce a special event for certificated members (CAPM, PMP, PgMP etc)
4. Get in front of industry leaders to evangelise the value proposition of project management
5. Introduce a 'Job Board'
6. Expand the merchandise component of the Web Site
7. Continue to grow our membership base

As the Chapter President it has been my pleasure to lead the Chapter Board during the past year, each member of the Board played their part in the growth and maturity of the Chapter and the improvements in service delivery achieved during 2008.

Ken Farnes, MBA, PMP  
President



Board Member	Position Held	Maximum Possible	Number Attended	% attendance
Ken Farnes	President	9	9	100%
Doug Treasure	Vice President	9	9	100%
Carl Hornstrand	Director Finance	9	8	89%
Darren Samphier	Secretary (Resigned)		1	
David Wolfram	Secretary	9	8	89%
Trish Thomas	Director Events	9	6	67%
Dana Landis	Director Special Events	9	9	100%
Ignacio Inchausti	Director Outreach/Marketing	9	7	78%
Lindsay Whitehead	Director Communications	9	9	100%
Glenn McTaggart	Director Profession Development	9	8	89%
Graeme Bond	Director Membership	9	9	100%
Scott Coleman	Director at Large (Volunteers)	9	7	78%
Chris Felstead	Director at Large (National Chapter)	9	7	78%
Kimberley Martin	Director at Large (Outreach)	5	5	100%
Scott Lindblom	Immediate Past President			

2008 Board Attendance List

# Professional Development

## The year in review

During 2008, the Professional Development portfolio has been working toward achieving an aspirational goal of positioning the PMI Melbourne Chapter as a strong supplier of PMI credential and project management related training in Melbourne. This journey is mapped in a cyclical loop with continual focus on *Consolidation* and *Expansion*.



*Consolidation* in 2008 has seen the strengthening of core PMI credential courses in the Project Management Professional (PMP) and Certified Associate in Project Management (CAPM) by perfecting course content, delivery, venue and timeline. Our short courses have also received similar attention with direct market needs being met with focus on quantifying project risk, Business Analyst and Project Manager integration, stakeholder identification and management techniques.

*Expansion* will see the inclusion of additional value through the introduction of new short courses and further opportunities to increase knowledge in the profession of project management.

The Chapter understands that project management is bigger than PMP and CAPM. A complete training calendar has been engineered that not only captures the best of PMI, but also elaborates on popular knowledge areas. In assessing the current environment and competition, a research report (by PMI volunteer Jon Scheele) was completed to identify local project management training providers and their courses. Other project management short courses are already in the regular calendar and will soon be complimented by courses in communications, scheduling and charting projects. Tertiary qualifications are also being considered by leveraging existing relationships with Melbourne universities offering project management Master, Degree and Diploma courses. The option of Study Groups are also now offered to PMP and CAPM credential course students.

PMP Introduction sessions held each quarter have received good advanced bookings however attendance on the day has been dramatically reduced with a large amount of no-shows. These sessions provide attendees a change to talk to Chapter representatives about PMI, the PMP examination, courses and qualification. Printed booklets are also provided containing PMI

membership details and PMP post-session reading. Due to the low numbers actually attending, these sessions will be run less frequently until a better approach can be developed.

## Our Registers Education Providers (REPs)

The Chapter is extremely grateful for the support our REPs provide the Chapter and its members through the delivery of certification and training courses.

### Project Smart

Director: Kevin Bourke



Project Smart has been providing services globally for eight years now. Courses included PMP and CAPM certification, BA for PMs, PM for BAs, PMBoK Update, Project Risk, Performance Measurement and HR for PMs

### Mosaic Project Services

Director: Patrick Weaver

Mosaic has over twenty years of practical experience across three continents in the delivery of training. Courses include PMP and CAPM certification, Stakeholder Management, Scheduling, Communications, Risk and OPM3

## Key targets achieved in 2008

	<p><i>To complete the first Consolidation phase in reaching an aspirational target in the Chapter becoming a leader of project management training in Melbourne.</i></p> <p>Work by the Chapter's experienced training professionals has been completed in assuring that the Chapter provides quality products in areas from course content to delivery.</p>
	<p><i>To complete the Chapter course calendar for 2009 by October 2008</i></p> <p>Much planning went into developing a Chapter course calendar that includes all courses offered by the Chapters' Registered Education Providers (REPs) throughout 2009.</p>



### *Provide a plan for Study Groups within credential courses*

Now students who enrol in credential courses have the option to make up Study Groups with other PMP and CAPM students to study for examinations together in a self-paced manner to complement their PMP/CAPM training course.

Headline goals set for 2009 are:



### *Formalise the training agreement between the Chapter and our REPs.*

Effort commenced July 2008 to on a Memorandum of Understanding, representing a mutually beneficial agreement between the Chapter and our registered trainers.



### *Investigate the inclusion of PRINCE2 training*

Discussions commenced in October 2008 with providers offering PRINCE2 training with the aim of coming to an agreement for providing training to the Chapter.

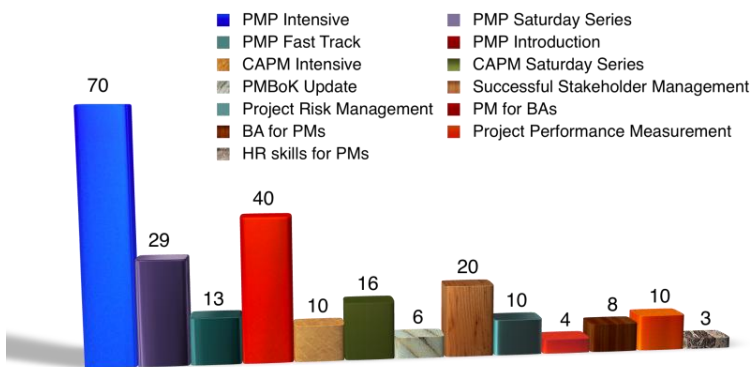


### *Investigate offering the full PMI credential suite to members.*

PMI has released credentials of Risk Management Professional (RMP), Scheduling Professional (SP) and the Program Management Professional (PgMP). Assessment is to be made on offering a variety of these certifications as part of the regular course calendar in the future.

## Training Courses Delivered in 2008

A total of 13 different courses were delivered in 2008 with the PMP and CAPM credential examination preparation courses yielding the strongest numbers. Short course attendance continued to fluctuate and are an area where certified members can easily obtain PDUs.



## Looking Ahead

For 2009, the objective of positioning the PMI Melbourne Chapter as a leader in the supply of PMI credential and project management related training in Melbourne will continue. Focus will begin on the *Expansion* cycle with new training courses and providers to be assessed in line with changes in the profession and fit within the Chapter.

Glenn McTaggart  
Director, Professional Development



## Events

### Networking meetings

2008 saw a good representation of our members attending the monthly chapter events with average attendances of around 150 members at the events held from January to October. As in past years, the Telstra theatrette at 242 Exhibition Street has continued to be a practical venue for holding our events for a number of reasons, in particular competitive cost, a central location, and the capacity to accommodate both the networking during the first part of the evening and the ability to seat up to 210 in the theatrette.



The monthly chapter events have followed the same format as in previous years, providing excellent networking opportunities during a social hour in the first part of the evening followed by the formal chapter meeting that included a presentation by a key note speaker. The PMI Melbourne Chapter events team has continued to make every effort to provide speakers presenting on topics of interest to a broad cross section of our membership, and have included presentations on project management practice, change management techniques, industry vocational analysis, ethics, and project management standards. Presentations included a good coverage of 'real life' examples and lessons learned.

Over the 10 'regular' events held during 2008 we had approximately 1500 attendees. We experienced an average no-show rate of around 30% of those who had registered but failed to attend. Typically the no-shows are balanced by walk-ups (those who do not register for the event), but the incidence of no-shows continues to be a major concern.

### End of year celebration

The highlight of the 2008 Events calendar was the November event, the 'Inaugural PMI Melbourne Chapter End of Year Celebration'. The event was in the form of a cocktail evening held at the

magnificent Chapter House. The keynote speaker was Peter Baines, Detective Inspector of Operations, Forensic Services Group NSW Police and now with the National Institute of Forensic Science (NIFS). Peter is considered one of Australia's most experienced disaster management specialists and he shared with those present his experiences in managing Australia's response Boxing Day Tsunami in Thailand. Following Peter's presentation guests were entertained by the band 'Fresh Trio'.

With almost 200 members and guests coming along to the end of year event numbers greatly exceeded the average attendance for monthly chapter events. The No Show rate was less than 5% of registrations, perhaps a reflection that there was a cost associated with the event. Whilst Members attending were only asked to pay \$25 per person, the 'real' cost of the evening was \$161.00 per person, so the Chapter's funding of the event represented excellent value to our members. Sponsorship for the end of year event was provided by Swinburne University of Technology (Gold Sponsor) and Paxus (Silver Sponsor). Items for the gift bags were generously supplied by Eastwood Harris and MetaPM.

The Events program this year would not have been possible without the ongoing support and contributions from our hardy volunteers and the events team is particularly grateful to the tireless efforts of Ivor Halford, and Alex and Walter Skilton, who man the registration desk at each event and ensure the smooth running of our events. Thanks also go to Bilal Shafqat, Denise Courtney, Ivor Halford, Yvette Dullaghan, Paul Harris, Abhi Parasher, Walter & Alex Skilton, Bob Yakutia, Keri Koutsomitis and Nigam Viad.

Dana Landis,  
Director, Special Events, and

Trish Thomas,  
Director, Events



## Communications

### Newsletter



The newsletter strategy was reviewed in 2008 and a decision made to transfer from Desk Control for everything except general email addresses used by Board Members, to the Constant Contact solution. This change has enabled a number of important improvements to be made to the newsletter publication process. These include

- Better templates with personal address header.
- Faster publication and editing of content by newsletter editors.
- Lowered overall costs of publication.
- Inclusion of resubscribe button.
- Ability to conduct surveys.

In the year ahead, the Newsletter system will be further improved to include links between news briefs and web site articles, and to publications and documents.

Special newsletters were sent to all new members welcoming them to the Chapter and thank you letter to renewing members.

Overall, the number of subscribers has increased during 2008.

The three databases that are used for subscribers to the newsletter were continued and expanded by creating a new subscriber and resubscribe process.

#### **Members Database**

This database is obtained from PMI Headquarters via a monthly file download and conversion which is performed by the Communications Director.

#### **Friends Database**

This database is obtained from entries submitted from the Melbourne Chapter Web Site.

#### **Advance Members**

This database was established because members' details may sometimes lag behind their publication in the Members Database.

I would like to thank Claire Pidoto and Kirrilly Shipley for their work as editors during the year. Claire has moved on recently and a new volunteer is ready to start. Yumei Wang also contributed greatly by keeping the newsletter mailing lists up to date. Several Board members also worked as

proofreaders, including one of our REPs, Pat Weaver. I would like to thank all these volunteers for their efforts.

### Web Site



After much fan fare the new web site was launched in November 2008 and has undergone a process of continued improvement since. There is more to go, particularly in areas of training & development and events management, as the considerable possibilities inherent in the new web site are realised.

Some members have found the higher levels of security within the new web site have made it more difficult to use because a login is required to access certain parts of the site. Although the security functions have been included to protect the members their application will be reviewed in 2009.

The web site hosting was changed to that provided by the webmaster (Infobytesmedia) in order to improve performance and reduce overall hosting costs. Now that the web site has been deployed, a new hosting organisation is being engaged and is expected to commence operations in mid 2009.

I would also like to thank Shaun Latham, from Infobytesmedia, for his efforts in keeping the web site operational and Cathy Liu, a volunteer, for assisting with content management and documentation.

The new web site has been of interest to other Chapters, and several are now cloning the site, with the Chapter's permission, to develop their own improved web sites. This is also planned to impact positively the Australia PMI (APC) web site in 2009

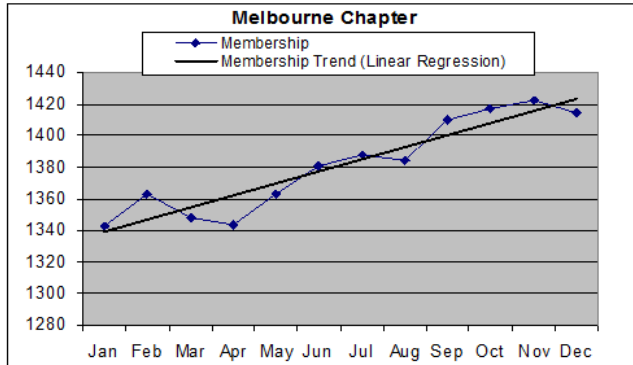
Lindsay Whitehead, PMP PCP  
Director, Communications

## Membership



### Chapter Membership Growth

As at 31<sup>st</sup> December the Chapter had 1414 members, this is a growth of 71 new members or a 5% overall increase in membership during 2008.

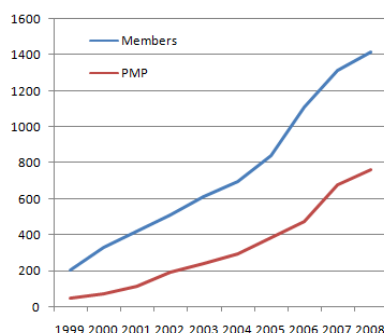


It is evident that the double digit growth we have previously experienced has fallen off and that the Chapter needs to encourage more PMI members to join the Chapter in addition to encouraging project managers to join the PMI.

Year End	Current Members	Increase	%
Dec-08	1414	71	5%
Dec-07	1343	97	8%
Dec-06	1246	161	15%
Dec-05	1085	244	29%
Dec-04	841	146	21%
Dec-03	695	73	12%
Dec-02	622		

### Growth in certifications

Following the large 42% growth in certification in 2007, the Chapter experienced a more moderate 12% growth in the number of members obtaining certification as a PMP, now totalling 762. This figure is more in line with previous years and the large jump in members obtaining their certification in 2007 was due to the impending changes to the PMP exam.



## Membership Retention

The Melbourne Chapter sits in Region 10 and during 2007 the Component Mentor convened Teleconferences to discuss membership issues in the region. This has allowed a useful exchange of ideas and views across the Australian Chapters and helped to coordinate reporting of membership issues to PMI GOC. The cooperation between the Membership Directors across Australia continues.

During the course of the year the Chapter carried out a study of membership retention and found that of the members who retain their PMI membership, only a relatively small percentage (3.6% pa) do not also retain their Melbourne Chapter membership. I concluded the major driver of retention was the value existing members saw in PMI membership and that satisfaction with Melbourne Chapter's service delivery was very high and contributed to our high retention of Chapter members.

When compared with 15 other Chapters of similar size (between 1200 and 1600 members) Melbourne rates very well in terms of growth ranking 5th out of 15 and ranking lowest. The credit for this performance is a product of the overall performance of the Melbourne Chapter Board, particularly those portfolios responsible for service delivery to members such as Communications, Events, and Professional Development (refer table 1).



### Liaison with PMI GOC

On occasions the Chapter liaises with the PMI Global Operations Centre (GOC) or the Asia-Pacific Regional Service Centre (APRC) in Singapore on behalf of members or prospective members to obtain answers to enquiries and resolve membership issues. The resolution to these issues is often provided via a simple exchange of emails.

The availability of the Singapore Centre has been most welcome as, being in a similar time zone, it is much easier to call if that is necessary to resolve a particularly difficult issue.

Fortunately, most Membership issues are readily resolved locally and indeed the answers to most questions are already on the Melbourne Chapter web site or PMI web site. Most inquiries result when prospective members or members have not been able to locate the information they seek or still feel uncertain about some aspect of it.

Region	Chapter Name	Prior Year Count	Current Month End	Variance	Growth %	YTD New Members	YTD Non Renew	YTD Late Renew	Total YTD Non Renew	Attrition Rate
1	Canadian West Coast	1,283	1,509	226	17.61%	549	432	109	323	25.18%
1	Portland	1,244	1,277	33	2.65%	392	481	122	359	28.86%
2	Central Indiana	1,354	1,380	26	1.92%	364	429	91	338	24.96%
5	Central Virginia	1,299	1,341	42	3.23%	414	490	118	372	28.64%
5	Metrolina	1,342	1,373	31	2.31%	449	518	101	417	31.07%
6	KC Mid America	1,277	1,331	54	4.23%	420	477	111	366	28.66%
7	Los Angeles	1,344	1,294	-50	-3.72%	471	626	106	520	38.69%
7	San Diego	1,160	1,257	97	8.36%	484	471	84	387	33.36%
10	Melbourne, Australia	1,308	1,414	106	8.10%	431	438	113	325	24.85%
10	New Zealand	1,449	1,554	105	7.25%	486	539	158	381	26.29%
10	Sydney, Australia	1,406	1,536	130	9.25%	540	533	123	410	29.16%
11	Chennai	1,750	1,283	-467	-26.69%	686	1,248	95	1,153	65.89%
11	North India	1,789	1,590	-199	-11.12%	909	1,225	117	1,108	61.93%
13	Rio de Janeiro, Brazil	1,111	1,296	185	16.65%	601	509	93	416	37.44%
14	South Florida	1,446	1,455	9	0.62%	489	622	142	480	33.20%
14	Tampa Bay, Florida	1,202	1,219	17	1.41%	382	457	92	365	30.37%

Table #1



## Looking Ahead

The data available from the PMI indicates that a common experience throughout the world is that Chapters experience an initial high rate of growth and occasions peaks which then taper off as the readily accessible 'market' becomes saturated and recruiting and membership growth then becomes more problematic.

Further dramatic growth will generally require some external factor to increase the appeal of PMI and chapter membership. A good example of this is the experience of Washington Chapter which quickly increased from around 1500 to 2500 members as a result of the US Federal Govt mandating PMP credentials for all Project Managers. I am hopeful the establishment of a PMI Australia Office will lead to a similar effect as a result of representations to government and industry.

In the meantime we are investigating the feasibility and benefits of a 'member get member' recruiting drive that could be launched during 2009. This may involve offering incentives to existing members to recruit new members at their place of work or elsewhere.

Graeme Bond PMP MBA (Hons)  
Director, Membership

## Outreach/Marketing

### Marketing Council

In April 2008 the Marketing Directors from Perth, Adelaide, Melbourne, Canberra, Sydney, Brisbane & New Zealand formed a joint Marketing Council to gain share marketing techniques, artefacts, skills and knowledge with the aim of developing a common approach across the region.



### Job Boards

During 2008 a proposal to provide access to employment opportunities via a link on the Melbourne Chapter website to selected recruiters was tabled by the Board. The Board has received type of service. The Board agrees that this type of service is a valuable benefit to members and has commenced a feasibility study in preparation of providing the service. It is anticipated that such a service may be provided in the first half of 2009



### Education

The PMI® Global Accreditation Centre (PMI-GAC) serves two fundamental purposes — to ensure the quality of academic degree programs in project management and to assist faculty and universities in the improvement of degree programs.

RMIT University recently underwent accreditation with the PMI-GAC and was supported in this process by the Board of the Melbourne Chapter.

The accreditation will focus on the Master of Project Management (MPM) and the Doctorate of Project Management (DPM) courses, offered by RMIT. Whilst there is also an Undergraduate (UG) offering, the course has commenced recently and has not yet produced graduates and does not qualify at this time. The University hopes to seek accreditation for the UG program once the course produces graduates.

The main body of work in the accreditation process occurred between March and September 2008 when the required information was gathered by faculty and staff from the School of Property, Construction and Project Management and the

assessment was submitted to the PMI-GAC committee for review and assessment.

At the time of compiling this report, RMIT has received advice that the PMI-GAC's recommendation is expected to be communicated to RMIT in early 2009.

The Chapter (at Victoria University's [VU] request) delivered a presentation to post-graduate project management students on the benefits and value of PMI membership. Members of the Chapter Board met with faculty from VU following the University's interest in becoming a provider of PMI-recognised. The Chapter and VU will continue the discussions during 2009.

In 2008 the Chapter participated in a review of the course material for Swinburne University's Diploma of Project Management. The Diploma's curriculum is based on PMI's PMBoK.

In keeping with Swinburne University's entrepreneurial philosophy and approach to education, the head of the Business Development Unit and the Melbourne Chapter will continue to work together to develop innovative training and development courses and sessions for project management students and practitioners wishing to further develop their skills.

### Advertising & Sponsorship

During 2008, the chapter's advertising and sponsorship policy was revised to provide the non-project management sector an opportunity to reach the Chapter's membership. The intention is to raise our members' awareness of services that may be of interest.

The policy received increased attention during 2008 and will continue to be reviewed regularly to strengthen the benefits available to chapter members and provide sound opportunities for advertisers to promote their products and services, and strengthen chapter relationships with corporate and industry representatives.

### Chapter Sponsors

The Chapter greatly values the contribution our Sponsors make to the Chapter and in 2008 we received continuing support by MetaPM Pty Ltd, Global Consulting Services Pty Ltd and Eastwood Harris Pty Ltd.

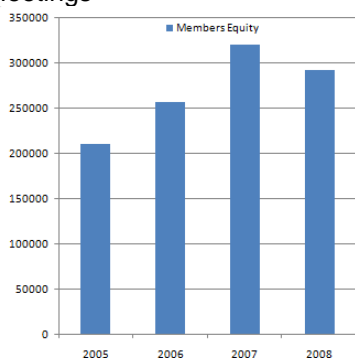
Ignacio Inchausti  
Director, Marketing

## Finance

The PMI Melbourne Chapter chart of accounts has completed its annual external audit by PKF Chartered Accountants.

During the year 2008 the Melbourne PMI Chapter spent down some of its reserves leaving the member's equity balance of \$292,977 compared to last year, \$320,325 before tax payable from the year before (\$6,520) and PMOTY assets of \$10,667. Three activities were the main contributors to the spend down, they were:

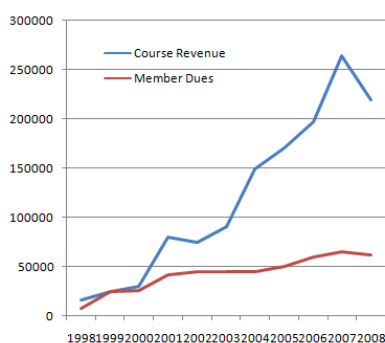
1. The Chapter's web-site upgrade project , and
2. The November/December End of Year celebration
3. Board representation at PMI Leadership meetings



**Figure 1 PMI Melbourne Chapter Member's Equity**

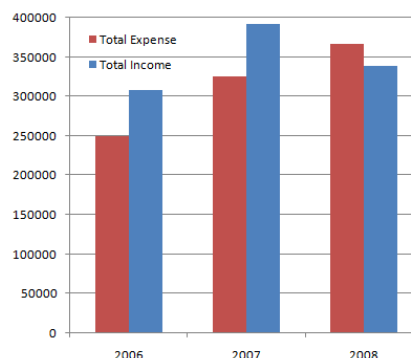
Total members revenues for 2008 were \$62,171, a decrease of 4% on 2007. The membership base has during 2008 increased with more than 7%, so the variation is attributed to the US\$ exchange rate variation. This also indicates that the Chapter focus on membership retention and growth in 2008 kept losses low but failed the significant growth potential.

Total course costs for 2008 were \$153,245 compared to 2007 (\$189,829) this is a decrease of 19%, matching the drop in course revenue of 17%.



**Figure 2 Courses and Membership Revenue**

Total income for 2008 was \$338,988 compared to 2007 (\$391,760) this is a decrease with 13%. The two primary revenue areas courses and membership are still the major streams of income for the Chapter. This revenue decline is an area that needs to be focused on in 2009.



**Figure 3 PMI Melbourne Chapter Income and Expenses**

Total Events expenses for 2008 were 22% up on 2007 at \$58,176 compared to \$47,677. With a rise in events attendance there is a natural rise of cost but they need to be scrutinized in 2009 to ensure the events are providing reasonable value for money.

Total expenses for 2008 \$366,893 increased by 12% on 2007 \$326,485.

The Chapter's Cash at Bank for 2008, \$286,282 decreased by 11% when compared to 2007 \$323,119. Note that the 2008 amount does not allow for tax expenses for '07 – '08 (\$6,520).

The total operating loss for 2008 of \$27,905 was due to the Chapter's activities to improve service delivery and enhance Chapter governance.

It is the intention of the Chapter Board to continue its outreach activities in 2009 such as donating funds to related organisations like Project Aid.

The Chapter has commenced the alignment of our tax financial year to the calendar year. At the time of writing this report approval from the Australian Taxation Office is pending.

The Chapter is managed as a small business and with that comes greater scrutiny from the Australian Tax Office and the Department of Justice. Our books are reviewed annually by PKF Chartered Accountants, our accounting firm which also supports the move to calendar year accounting and reporting.

**Carl Hornstrand PMP**  
Director, Finance

## Financial Statements

The financial statements shown in the following pages are the audited statements of the Chapter for 2008.



### Income Statement For the Year Ended December 31, 2008

	Current Year (2008) \$	Current Yr. Sub Totals \$	Prior Year (2007) \$	Prior Yr. Sub Totals \$
<b>REVENUE</b>				
PMOTY Sponsorship	4,600		2,500	
Chapter Sponsorship	8,636		4,091	
Course Fees	220,701		269,955	
Event Receipts	5,382		4,496	
Interest Income	13,358		15,196	
Membership Dues	78,917		64,768	
Merchandise sales	22,623		21,352	
Other Income	-	354,217	6,369	388,721
<b>EXPENSES</b>				
Amex and Diners Charges	1,339		744	
Audit Fees	2,600		3,200	
Bank Charges	2,902		4,979	
Board Expenses	17,801		6,337	
Board Operational Expenses	5,484		1,937	
Course Delivery	122,077		154,443	
Course Expenses	31,169		35,387	
Event Expenses	55,691		47,261	
Merchandise costs - PMBOK Books	17,721		18,215	
PMI Marketing	4,585		1,835	
PMOTY	28,555		2,717	
Postage	2		100	
Postal Box Rental	1,015		282	
Software	363		590	
Sponsorship/Donations	5,945		-	
Stationery	2,486		416	
Storage	912		829	
Travel	37,697		28,784	
Web Site	23,316		5,490	
Sundries	4,622	366,282	1,699	315,245
Operating Surplus/(Deficit) before tax		(12,065)		73,482
Income Tax Expense		7,747		8,340
Operating Surplus/(Deficit) after income tax		(19,812)		65,142
Members Equity at 1 January		320,885		255,743
Members Equity at 31 December		301,073		320,885



### Cash Flow Statement For The Year Ended 31 December 2008

	Notes	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Receipts</i>			
Membership Dues		73,263	70,231
Course Fees		242,771	296,960
PMOTY Sponsorship		4,600	2,500
Interest Received		12,701	13,598
Other		40,305	32,933
<i>Payments</i>			
Course Expenses		(168,571)	(208,813)
Other		(233,785)	(140,605)
Income Tax Paid		(9,821)	(1,065)
Net cash provided by/(used in) operating activities	4	(38,537)	65,709
Net increase/(decrease) in cash held		(38,537)	65,709
Cash at the beginning of the financial year		323,121	257,412
Cash at the end of the financial year	3	284,584	323,121



### Balance Sheet As at December 31, 2008

	2008 \$	2007 \$
<b>CURRENT ASSETS</b>		
Cash Management Account	134,287	177,798
PMOTY Cash Management Account	17,879	18,145
Sundry Receivables	21,549	15,238
GST Recoverable	2,362	1,152
Inventory	2,646	3,200
<b>TOTAL CURRENT ASSETS</b>	<b>178,723</b>	<b>215,533</b>
<b>NON-CURRENT ASSETS</b>		
Term Deposits	132,418	127,178
<b>TOTAL ASSETS</b>	<b>311,141</b>	<b>342,711</b>
<b>CURRENT LIABILITIES</b>		
Income Tax Payable	7,468	9,542
Other Accruals	2,600	12,284
<b>TOTAL LIABILITIES</b>	<b>10,068</b>	<b>21,826</b>
<b>NET ASSETS</b>	<b>301,073</b>	<b>320,885</b>
<b>MEMBERS EQUITY AT 31 DECEMBER</b>	<b>301,073</b>	<b>320,885</b>

**Notes to the Financial Statements**  
For The Year Ended 31 December 2008

**1. INTRODUCTION**

The operations and principal activities of Project Management Institute Melbourne Chapter are training and membership services. The statements are presented in Australian dollars.

The financial report was authorised for issue by the Board of Management on the date shown on the Declaration by the Statement of The Board of Management attached to the financial statements.

**2. ACCOUNTING POLICIES**

**Overall Policy**

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Associations Incorporation Act 1981. The directors have determined that the association is not a reporting entity. The Institute has adopted the measurement and recognition requirements of accounting standards but only the disclosure requirements considered necessary to provide a true and fair view have been included.

The report is prepared on an accruals basis, is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

**(a) Cash**

For the purposes of the Cash Flow Statement, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

**(b) Income Tax**

The Institute is subject to income tax on its non-member income, net of related expenses, at a rate of 30%.

**(c) Revenue**

Interest revenue is recognised using the effective interest method.

**Notes to the Financial Statements (Cont'd)**  
For The Year Ended 31 December 2008

**3. RECONCILIATION OF CASH**

	2008	2007
	\$	\$
Cash Management Account	134,287	177,798
PMOTY Cash Management Account	17,879	18,145
Short term Deposits	132,418	127,176
	<u>284,584</u>	<u>323,121</u>

**4. RECONCILIATION OF OPERATING SURPLUS/(DEFICIT) TO NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES**

	2008	2007
	\$	\$
Operating Surplus/(Deficit)	(19,812)	65,142
Decrease / (Increase) in GST receivable	(1,210)	(6,084)
(Increase) in Interest receivable	(657)	(1,598)
(Increase) in Receivables Membership Dues	(5,654)	(921)
(Increase)/Decrease in Inventory	554	2,945
Increase in provision for income tax	(2,074)	7,594
Increase / (Decrease) in Other accruals	(9,684)	(1,369)
Net Cash Provided by/(Used in) Operating Activities	<u>(38,537)</u>	<u>65,709</u>

**Statement by Board of Management**  
For the Year Ended 31 December 2008

In the opinion of the Board the financial report as set out on pages 1 to 6:

1. Presents fairly the financial position of the Project Management Institute Melbourne Chapter at 31 December 2008 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the Project Management Institute Melbourne Chapter will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

  
President

  
Finance Director

Dated this 20<sup>th</sup> day of February 2009

**INDEPENDENT AUDIT REPORT**  
TO THE MEMBERS OF  
PROJECT MANAGEMENT INSTITUTE MELBOURNE CHAPTER (INCORPORATED)

**Scope**

We have audited the attached financial report as set out on pages 1 to 6, being a special purpose financial report, of Project Management Institute Melbourne Chapter (Incorporated) for the year ended 31 December 2008. The Board of Management is responsible for the preparation and presentation of the financial report and the information contained therein and have determined that the basis of accounting used and described in Note 2 to the financial report is appropriate to meet the needs of the members. We have conducted an independent audit of the financial statements in order to express an opinion to the members of Project Management Institute Melbourne Chapter (Incorporated) on their preparation and presentation. No opinion is expressed as to whether the accounting policies used and described in Note 2 are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board of Management's financial reporting requirements under the entity's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the special purpose financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the accounting policies described in Note 1 to the financial statements.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion, the financial report of Project Management Institute Melbourne Chapter (Incorporated) is in accordance with:

- (a) the Associations Incorporation Act 1981 giving a true and fair view of the entity's financial position as at 31 December 2008 and of its performance and cash flows for the year ended on that date in accordance with the accounting policies described in Note 2; and
- (b) other mandatory professional reporting requirements to the extent described in Note 2.

  
PKF  
Chartered Accountants

  
R A Dean  
Partner

20 February 2009  
Melbourne

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## Chapter Volunteers

The Melbourne Chapter Board of Directors wishes to recognise the following Chapter Volunteers and offer our sincere thanks for their contribution to the continued smooth operation of the Chapter. It takes a special person to be a volunteer because they inject so much of their time and energy into their work - only to be rewarded by the knowledge that they are making a difference and helping others. "Our volunteers are the lifeblood of our Chapter and we thank them all for their dedication".

Bob Anisimof  
 Pau Chang  
 Yvette Dullaghan  
 Satya Kantheti  
 Satheesh Nair  
 Khalil Saidzedah  
 Kirrilly Shipley  
 Brenda Treasure  
 Yumei Wang  
 Pauline Wong  
 Paul Harris  
 Jon Scheele

Lloyd Carter  
 Denise Courtney  
 Ivor Halford  
 Cathy Liu  
 Abhi Parasher  
 Jon Scheele  
 Dharani Sundar  
 Nigam Vaid  
 Pat Weaver  
 Walter Skilton  
 Bob Yakutia

Chris Cartwright  
 Errol DeSouza  
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 Claire Pidoto  
 Bilal Shafquat  
 Allan Thompson  
 Lyn Windsor  
 Lena White  
 Alex Skilton  
 Keri Koutsomitis

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