



# Annual Report 2022



## Acknowledgement of Country

*We acknowledge and respect the Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation and traditional practices.*

*Hon Lily D'Ambrosio MP  
Minister for Climate Action  
Minister for Energy and Resources  
Minister for the State Electricity Commission*

*Level 16, 8 Nicholson Street  
EAST MELBOURNE VIC 3002*

5 September 2023

Dear Minister D'Ambrosio,

**Re: Falls Creek Alpine Resort Management Board Annual Report 2022**

In accordance with the *Financial Management Act 1994*, I am pleased to present Falls Creek Resort Management Board's (FCARMB) final Annual Report for the remaining year ending 30 September 2022.

We appreciate the support provided by the Victorian Government and the assistance delivered by the Department of Environment, Land, Water and Planning throughout what was a return to "business as usual year" and throughout the twelve years of FCARMB. As we transition to Alpine Resorts Victoria, we are confident the foundations that we have laid and the vision that we share will be carried forward.

Kind regards,



Amber Gardner  
Chief Executive Officer  
Alpine Resorts Victoria

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(T/As) Falls Creek Alpine Resort (FCAR)  
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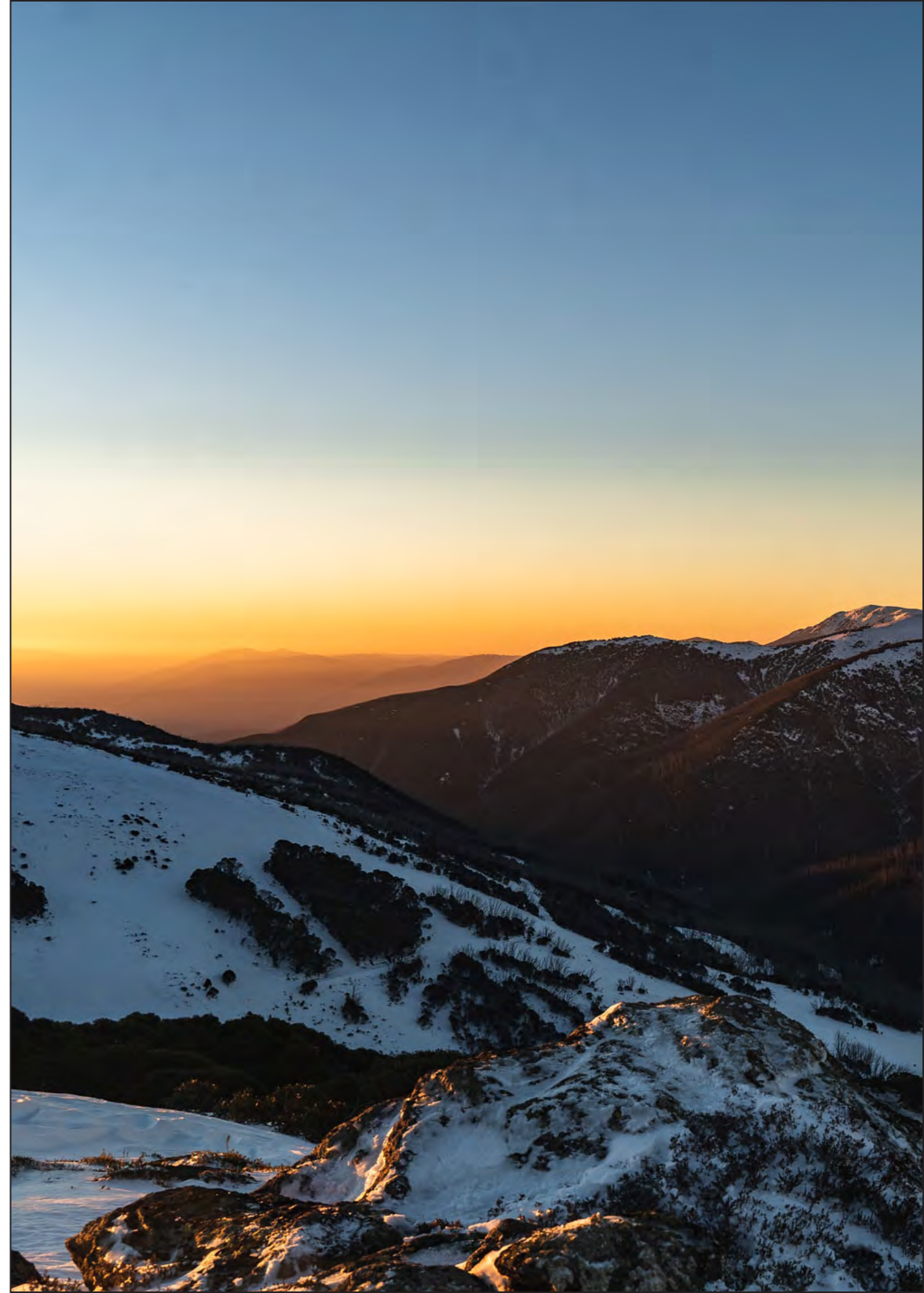
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# Year in Review

Rebuilding and refocusing on ensuring Falls Creek Alpine Resort continues to be Australia's premier adventure destination was a key objective for the Falls Creek Alpine Resort Management Board (the Board) during the shortened 2022 financial year.



The Board and management had the task of not only ensuring the resort could build back from the disruption of previous years, but at the same time, prepare the resort for a transition into a new entity, Alpine Resorts Victoria (ARV), upon its formation on October 1st, 2022.

Whilst the Victorian Government continued supporting our core operational requirements, as they had done throughout the COVIDSafe Settings, by financially underwriting essential services delivery, this enabled management to work alongside their other Victorian resort counterparts to prepare for the dissolution of the current Boards and bring all the resorts together under a new entity.

Aside from funding received for core operational matters, FCARMB was also successful in receiving \$2.8 million to assist businesses in reactivating through the Alpine Business Support Package, provided by the Victorian Government. This package in conjunction with input from the Falls Creek Bushfire Recovery Committee established a series of programs and investments to help deliver new opportunities, and to underwrite a portfolio of new initiatives, events, activations and experiences that would drive greater visitation, participation and overnight stays. These activations and events were aimed to attract both new and first-time users to the resort.

Activations focusing on tourism, arts and culture, mountain biking, snow play, and seed funding opportunities to host new events and attractions were overseen by the steering group, with assistance from the Board, Tourism North East and the Falls Creek Chamber of Commerce, to ensure the offerings

end, "Festival" in February 2022 was a hallmark offering, succeeding in bringing a new activation and experience, together with new and first time users to the resort. This celebration coincided with then Minister for Tourism, Sport and Major Events, Hon. Martin Pakula visiting the resort to see first hand the impact of the business support package program. In 2022, the Board endorsed the resort's new Environmental Management Plan, with both climate change mitigation and adaptation strategies featuring highly, and the environmental management system which guides best practice environmental management and continuous improvement in environmental outcomes. The plan is broken up into specific aims and objectives across biodiversity and threatened species, waste and resource consumption, water, land use and development, energy and climate change. The associated impacts register is a living document as well as a record of achievements against the plans aims.

The resort is particularly proud of its association with leading universities and their use of Falls Creek as the base for continue research into alpine ecology and the impacts of climate change. Such relationships will ensure that management is informed by current research into these matters.

With the resorts no longer represented individually by Boards of Management, it would be timely to reflect on the achievements of the successive Boards which, since 1997, have delivered the overarching strategic initiatives and governance of the Crown land estate, defined as Falls Creek Alpine Resort. Whilst ARV has created a single entity, the ongoing objective of the *Alpine Resorts (Management) Act 1997* (the Act) will continue to see each resort operationally manage, develop and promote their unique offerings.

To this end, their environment, ecology and the impact of climate change, the economic considerations, and their cultural heritage and landscape will continue to be managed locally. A new emphasis to improve and formalise relationships with Traditional Owners has also been legislated. Each resort will continue to endeavour to provide for use in all seasons, by persons from different cultures and economic groups for the purposes of recreation and tourism.

Since 1997, the achievements of the 11 successive FCARMBs have been many. From prudent fiscal management with surplus reinvestment focusing on infrastructure improvements to enhance the visitor experience and delivering cost effective essential services to stakeholders. The Boards have collaborated with external investors and stakeholders on key strategic developments like St Falls, the Gully Gateway, the ongoing improvements in design and site guidelines and the visual amenity and street scape, to the sealing of BHP Road to Omeo. To meet forecasted demand, the Board doubled resort waste water and supply capacity, together with implementing adaptation strategies around summer visitation and contemporary experience helping to future proof the resort for its planned growth. Across land management the Board has made numerous boundary adjustments, the most meaningful being the inclusion of access to Rocky Valley Dam, as well as surveying and finalising a native vegetation offset precinct to assist with future development initiatives and completing a comprehensive ground stability and geotechnical hazard assessment following landslip disasters.

To help discharge legislative obligation the Board also established and has continuously improved the resort Environmental Management Plans and introducing weed and predator control programs. The resort has been actively monitoring its sustainability and climate change adaptation metrics and in planning for its future, whilst also developing the urban design and comprehensive development plan to assist in the establishment of a local planning policy framework and standardising of leasing document to better manage the resort portfolio. The penultimate piece to guide the resort's next phase was also completed by the Board with the 2016 Masterplan being approved in 2017. Just as importantly, the visitor experience has also featured prominently, with the introduction of the village shuttle services and the expansion of the BHP Rd service, upgrades to the over snow experience and continued streamlining of resort entry and ticketing, plus the investment into summer activities and nature-based experiences combined with the creation of the culture heritage walk and the Falls Creek Arts and Culture strategy. All have contributed to the Board and the broader resort being recognised as an award-winning major tourist attraction for the State of Victoria.

All of these achievements would not have been possible without assistance from the Victorian State Government, the commitment and resilience of the resort businesses and stakeholders, external partners and contractors, together with the general public whose patronage drives both the local and regional economies.

The last few years presented the Board with some of its greatest challenges and chartering through these unprecedented times would not have possible without their dedication, commitment and resolve to continue delivering the best outcomes and opportunities for our businesses and stakeholders.

Finally, the generations of staff that have worked for the resort through its various Boards of Management, your ability to remain focused and committed is often unseen, but your contribution to the resort's success is not.

Recognising the achievements of the Board and its many members, whilst transitioning its workforce to the new ARV, will be made easier by appreciating what has, and can be achieved. Whilst each Board leaves its legacy, it will be carrying these and future plans forward that will ensure Falls Creek Alpine Resort remains the Ultimate All Seasons Alpine resort in Victoria.

**ALI WASTIE**  
ARV Board Chair

**AMBER GARDNER**  
ARV CEO



The Falls Creek Alpine Resort Management Board (FCARMB) was established under the *Alpine Resorts (Management) Act 1997*, (the Act). FCARMB operated under its registered business trading name of Falls Creek Resort Management (FCRM). While responsibilities included elements similar to a local government authority such as planning and the provision of infrastructure services, FCARMB also had a responsibility for Crown land management, destination marketing of the resort, and resort promotion. It was expected to commercially manage the leases of public land in the best interests of the people of Victoria. FCARMB was an organisation with assets comprising Crown land, public utilities, and infrastructure assets.

Falls Creek uniquely benefits from its hydroelectric heritage. In particular, the Rocky Valley Lake and 65km of aqueduct trails support the resort's water supply, snowmaking capabilities and activity base. Falls Creek contributes significantly to the economy of the region. The resort generates significant seasonal employment, particularly in the nearby towns, and provides recreational opportunities and environmental values to both the local and wider community. At the same time, the resort proudly maintains a vibrant but small permanent community that uniquely maintains a year round primary school and a fully accredited child care centre.

## Resort Profile

Set at an altitude ranging from 1,210 to 1,850 metres and surrounded by National Park, Falls Creek is a premier all-season alpine resort in North-East Victoria. It is the largest ski field in the region with a vibrant ski-in-ski-out village in winter. It hosts a world class mountain bike park and is an outdoor mecca during the summer. Falls Creek has something for everyone.





## Vision, Mission and Principles

An unparalleled, unique and world class all-seasons alpine resort, renowned for being Australia's premier leisure, lifestyle and adventure destination.

### MISSION

The mission for all FCARMB staff is to see Falls Creek recognised as being "an unparalleled, unique and world class all seasons alpine resort, renowned for being Australia's premier leisure, lifestyle and adventure destination."

### GUIDING PRINCIPLES

To achieve this mission, our guiding principles, formulated through collaboration across the workforce, and embedded into all facets of the organisation, are:

#### Exceed Expectations

By using integrity, applying commitment and engaging with our users, the community and our staff, we will endeavour to excel.

#### Create Fun, Adventure and Lifelong Memories

By inspiring people to embrace an active outdoor lifestyle.

### Enacting Stewardship

Being accountable to our stakeholders, acting as custodians for our environment and planning for its sustainability, we are able to facilitate and build prosperity for the local and regional community.

### Dedicated and Passionate

We live, breathe, use and thoroughly appreciate the responsibility entrusted to us in managing the unique assets of the resort and surrounding high plains.

### Strive for Value

Through ensuring operational efficiencies are optimised, infrastructure and services can be delivered that will enhance any activity, ultimately offering exceptional value and an outstanding mountain resort experience to all users.





# Strategic Vision

A vibrant and distinctive village offering Australia's most memorable alpine experiences.

## DELIVERY OF STRATEGIC OBJECTIVES

FCARMB's Strategic Management Plan ('A Pathway to the Future'), outlines the strategic vision for Falls Creek and is supported by the overarching Alpine Resorts Strategic Plan (ARSP). It also details initiatives to be implemented to deliver on the Government's vision and strategic objectives. Development of a new FCARMB Strategic Management Plan – informed by the new ARSP 2020–2025 – was postponed in 2020 while the organisation dealt with the impacts of COVID-19.

In 2021, the Victorian Government announced its intention to merge the four existing Alpine Resort Management Boards (ARMBs), Mt Hotham ARMB, Falls Creek ARMB, Mount Buller and Mount Stirling ARMB and the Southern ARMB, into a new statutory body corporate to be known as Alpine Resorts Victoria (ARV). The merger of the existing entities into ARV, as of October 1 2022 will enable a strategic approach to best position the alpine sector to take advantage of opportunities for the development of tourism in spring, autumn and summer, build resilience and innovation for winter while driving operational efficiencies.

### STRATEGIC OBJECTIVE 1

*Enhancing the visitor experience and developing resorts*

### STRATEGIC OBJECTIVE 2

*Delivering resort services and infrastructure efficiently and accountably*

### STRATEGIC OBJECTIVE 3

*Building partnerships*

### STRATEGIC OBJECTIVE 4

*Respecting the alpine environment*

### STRATEGIC OBJECTIVE 5

*Broadening access opportunities*

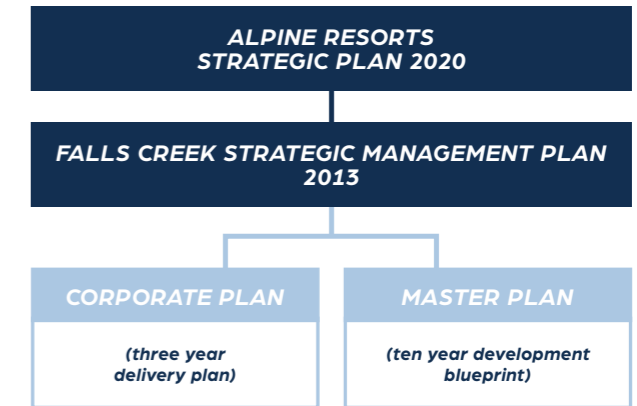
### STRATEGIC OBJECTIVE 6

*Regulatory reform*



## OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

FCARMB's annual Corporate Plan details three years of key initiatives and actions flowing from both the ARSP 2020 and the Strategic Management Plan, and the resources required to deliver thereon. The strategic objectives within these plans are outlined below. The Falls Creek Master Plan is supported by this Strategic Management Plan. It includes a ten year vision and associated asset management/renewal plan.



## MANNER OF ESTABLISHMENT AND MINISTERS

The FCARMB was established under the *Alpine Resorts (Management) Act 1997*. FCARMB operates under its registered business trading name of Falls Creek Resort Management (FCRM). The responsible Minister during the 2022 reporting year was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change (to 27 June), Minister. for Environment and Climate Action (from 27 June) FCARMB's functions can also be governed by other Departments, as below.

OPERATION	DEPARTMENT	MINISTER
Falls Creek Childcare Centre	Department of Education	Hon Natalie Hutchins, as of June 2022, previously Hon James Merlino, Minister for Education,
Economic development and asset management	Department of Transport	Hon Jacinta Allan, Minister for Transport Infrastructure and Hon Ben Carroll, Minister for Public Transport.

FCARMB would also like to recognise and commend the efforts and support provided by the Department of Health, and the Hon Martin Foley, Minister of Health, throughout his term and then the incoming Minister for Health, the Hon Mary-Anne Thomas during the response to and recovery from the COVID-19 pandemic.



## Financial Summary

The 2022 financial year was ruled off after nine months following the formation of Alpine Resorts Victoria on October 1st 2022. The resort posted a comprehensive result of \$2,276,874, substantially ahead of the COVID-19 impacted corresponding period. The result was an outcome of an extraordinarily strong season for both visitation and above average snowfalls.

FCARMB continued to operate under a Letter of Comfort (LoC) for financial support provided by the Victorian Government. Financial support was predicated upon various conditions, including reducing operational spend to be only of an essential nature. The operating surplus is \$2.4 million favourable to the 2021 COVID-19 impacted result, albeit, not directly comparable because of the shorter fiscal year.

Operating revenue was positively impacted by increased visitation, whilst the nine month period makes it more difficult to compare operating expenses to revenue for a more comprehensive assessment of like for like performance. The outperforming visitor income was offset by part year and government supported site rent and part year service charge income. In 2022 there was less reliance on government grants contributions, bolstered by an entrenched discipline over expenditure.

- visitor fee income (mainly resort entry fees) rebounded strongly, up \$3.73 million over the disrupted 2021 season, and strongly ahead of 2019 or pre-pandemic levels by \$1.3 million;
- site rental revenue government support package was extended through until March 2022 saw revenue fall by \$0.5 million relative to pre COVID-19 periods (please see further information in Note 2.1 of the financial statements);
- service charge income, accounted for on an accruals basis resulted in recognised income below 2021, with \$3.59 million accounted for the 9 months to September 2022.;
- government contributions were well down on 2021, falling by \$1.2 million post the support provided in 2021. Continued COVID-19 cashflow funding assistance

under the LoC from the Government was thereby substantially reduced;

- other income remained relatively static with little variance relative to 2021, at \$1.148 million vs \$1.216 million.

Operating expenditure, whilst not directly comparable to the previous corresponding period continued to demonstrate strong fiscal discipline. Noting that many expenses incurred by FCARMB are fixed versus variable costs and are not directly related to consumption and visitation.

### Accounting for expenses on an accrual basis

Depreciation and amortisation charges are for the nine month period only, at \$1.723 million, versus a normalised \$2.4 million.

Contractor payments, the bulk of which relate to white season costs, increased by \$0.4 million with a normalisation of operations. FCARMB underwent an assessment of its land holding, as part of the Valuer General's regular cycle of evaluation. This resulted in a favourable increase to the value of the resorts assets by \$6.7 million in 2022. Two successive years of favourable revaluations have helped bolster assets values on the balance sheet by over \$25 million.

During the financial year, interest expense on the ten year TCV loan decreased by \$7k to \$13k as the loan continues to be paid down, with the likely extinguishment of this loan to occur during 2023 fiscal year.

FCARMB's financial position and net assets remain healthy and provide a sound and solid platform for transfer to ARV and places the resort well for financial recovery out of the pandemic.

Table 1 – Financial Summary for the past 5 years

FIVE YEAR FINANCIAL SUMMARY					
	2022	2021	2020	2019	2018
Visitor fee income	6,178,010	2,450,773	322,210	4,870,273	4,506,227
Site rental	912,505	997,356	644,310	1,591,697	1,607,920
Service charges	3,590,197	4,752,386	4,605,232	4,425,259	4,718,573
Government contributions	1,809,466	2,947,086	3,970,077	433,557	245,513
Other income	1,148,516	1,216,497	825,393	1,370,223	1,239,609
Total revenue	13,638,694	12,364,098	10,367,223	12,691,009	12,317,842
Operating expenditure *	9,538,432	9,758,546	9,112,870	10,280,691	9,999,552
Operating surplus/(deficit) before depreciation and amortisation, interest expenses and other economic flows	4,100,262	2,605,553	1,254,353	2,410,318	2,318,290
Non-operating transactions	1,823,388	2,489,869	2,554,668	2,315,708	2,141,855
Total expenditure & other economic flows	11,361,820	12,248,415	11,667,538	12,596,399	12,141,407
Comprehensive result	2,276,874	115,682	-1,300,315	94,610	176,435
Cash inflows from operating activities	7,183,321	3,714,576	1,148,234	1,827,151	2,091,631
Total assets	130,303,594	118,304,587	92,647,653	93,449,128	91,316,488
Liabilities	12,084,682	9,070,243	5,175,947	4,677,107	2,639,078
<b>Net assets</b>	<b>118,218,900</b>	<b>109,234,344</b>	<b>87,471,705</b>	<b>88,772,019</b>	<b>88,677,410</b>

\* Operating expenditure excludes financing charges and depreciation / amortisation, and therefore differs from total expenses from transactions on page 44 of the financial statements.



# Enhancing the Visitor Experience and Partnerships

Visitation to Falls Creek began to return to pre-COVIDSafeSetting visitor numbers in the green season and was followed by an incredible snow season which saw record-breaking numbers entering the resort.

The 2021-22 green season (November – April) saw visitors return to the resort driven by domestic travellers staying closer to home and supported by a busy events calendar after two years of cancellations and uncertainty.

Visitation during the 2022 snow season saw a 162 per cent increase in visitor numbers and 155 per cent increase in visitor days. Total annual visitor numbers to the resort saw a 71 per cent increase in comparison to the previous year (noting the condensed reporting period to nine months).

## KEY ACHIEVEMENTS



**Victorian Tourism Awards Finalist 2022**



**Quality Tourism Accredited Business**  
Renewed certification as a Quality Tourism Business, with a proven commitment to the highest quality of service and business procedures;



**Summer events** were able to proceed from January 2021 – December 2021 and contributed an estimated **economic impact of \$2.5m.**



**The inaugural FEASTIVAL** Falls Creek saw 2400+ visitors to the resort for a three day music, arts, comedy and science festival. It delivered over \$618,000 in economic impact to the resort stakeholders.



**MTB de Femme** – returned after a two year hiatus with 101 participants.



**Winter visitation** increased 162 per cent compared with the 2021 snow season. A 14 per cent increase in comparison to 2019, the last season that was not impacted by COVID-19.



**Media** – strong media coverage in regional and metropolitan media throughout the year.

## EVENTS

In 2022 all planned green season events proceeded with a majority selling out soon after releasing tickets. This clearly indicated what visitors had missed in the two years prior.

The snow season saw resort events proceed as planned.

FCARMB is driven to continue to expand its annual events calendar in collaboration with experienced event organisers. November to April is the key green season visitation period and June to September for the white season. May and October are the lowest periods.



## 2022 event highlights included:

### Key Hero Events:

- FEASTIVAL Falls Creek – 2,435 attendees
- Peaks Challenge – 1,756 riders
- The Hoppet – <1000 participants

### Medium Events:

- Alpine Challenge – 228 participants
- Victorian Enduro Tour – 310 riders
- Falls Creek Long Lunch – 240 diners
- MTB Interschools – 228 riders
- Australian Grand Traverse – 230 participants
- MTB de Femme – 101 riders
- Easter – 2500 visitors in the Village

## DESTINATION MARKETING

FCARMB continued to drive all destination marketing for the resort on a year-round basis. The key objective was to support tourism and economic development for all resort stakeholders and improve the visitor experience.

FCARMB continued the destination marketing campaign 'Falls Freedom' through the 2022 green and snow season campaigns. The seasonal campaigns were adapted to suit the snow and summer seasons with targeted messaging and calls to action. An expanded channel mix was used for the 2022 summer campaign which reached 462,000+ viewers, with over 2 million impressions. The winter campaign was not completed at the time of writing this report.

## DIGITAL

FCARMB's Instagram account reached over 212,474 people while the Facebook account saw a reach of over 1.1 million to date.

www.fallscreek.com.au recorded over 561,110 unique visitors from January to September 2022, with 48 per cent of new users to the website.

## COMMUNICATION

2022 saw FCARMB continue with a high level of communication with stakeholders and visitors.

Messaging through electronic data management systems, social media channels, website and a text message service saw any resort messages quickly shared with the Falls Creek community, stakeholders and visitors through these channels.

These channels are utilised in the case of incidents such as car parking capacity limitations, road closures, bushfire information and other emergency situations.

A Stakeholder Engagement Framework forms part of the Executive Leadership Team decision and communications process.

## PARTNERSHIPS

Partnerships and collaborations are a key element of the resort's continued success, development and all year-round visitation increase:

- A new major partnership was formed in 2022 with Subaru Australia as the vehicle partner for the resort.
- 2022 partnerships include:
  - AGL
  - Alpine Shire
  - Ambassador Athletes
  - AusCycling
  - Blue Dirt
  - Bright Brewery
  - Disabled Winter Sports (DWA)
  - Falls Creek Alpine Association
  - Falls Creek Chamber of Commerce & stakeholders

- Falls Creek Historical Society
- Falls Creek Ski Lifts (FCSL)
- The Hoppet
- Melbourne International Track Club
- Parks Victoria
- Peak Adventure
- Ski & Snowboard Australia
- Tourism North East
- Victorian Championship Management Committee

## PRODUCT DEVELOPMENT

**Mountain Biking** – The resort's unique offer is supported by 40km+ of well-maintained mountain bikes trails built by world leader World Trail; shuttles by industry leader Blue Dirt; Bike Patrol; and ride in / ride out access suitable for all rider abilities. The network provides trails designed for all rider types – advanced, intermediate and beginner.

Over the summer of 2022 trail use increased by 18 percent. During this period stage 5 of the mountain bike park was built by World Trail to expand the trail network by over 11km, ready for the 2022/23 green season. Funding to support the new trail build was from a successful application in the Victorian Government's Regional Infrastructure Fund for an amount of \$500,000.

**Altitude Training** – Falls Creek is the ideal destination for altitude training programs due to its terrain, trails and gym facilities. The resort continues to be frequented by many high profile and developing track athletes. The Nordic Bowl development will assist in growing this product and attracting a wider target market.

**Watersports** – Operator Peak Adventure operated over the Green Season in 2022 and offered visitors water sport rental equipment to be used on Rocky Valley Lake. In addition to renting kayaks, canoes and stand-up paddleboards they offered lessons and guided tours.

**Hiking** – Central to the Bogong High Plains and the trailhead for the Falls to Hotham Crossing.

**Alpine Crossing**, Falls Creek is central to hiking in the High Plains. The finalisation of the Master Plan will see the enhancement of the Falls to Hotham trail offering from a facility and branding perspective. FCARMB has also been able to leverage the Walk High Country regional campaign.

**Guided Experiences** – Fall Creek Guides began operations in 2021 and has expanded its offer to appeal to visitors year round. Understanding the visitor need for an experience guide and tour gear this business now offers High Plain tours by eBike and hikes during the green season and back country snow tours during the winter season.

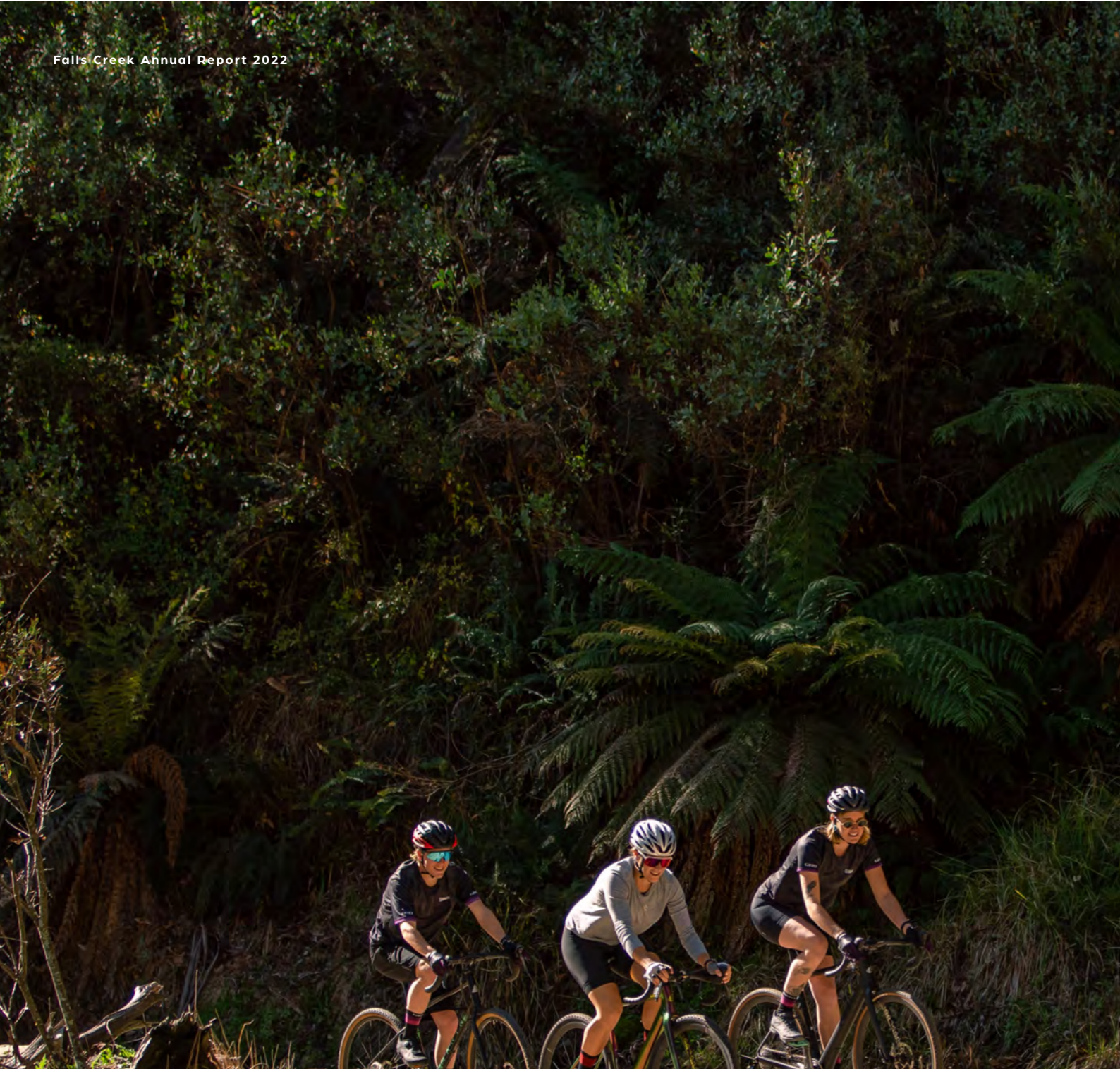
## ADAPTIVE

Front of mind for FCARMB was developing future trails, activities, services and products suitable for adaptive users. The fully accessible facility at Howman's Gap is a game changer in this space.

Stage Five of the mountain bike trails were built with consideration for adaptive riders to ensure the trails are suitable.

The proposed Stages 6 and 7 of the Mountain Bike Park will expand the trails by an additional 30km. All of which will be built for adaptive bike users to enjoy wider trails and technical features suited to adaptive mountain bikes.





## Developing the Resort and Broadening Access Opportunities

FCARMB has continued to work proactively to develop and refurbish the resort to ensure it remains a contemporary premier tourist destination and is committed to enhancing the visitor experience in all seasons.

Through the progression of new leases, lease renewals and strategic resort developments, FCARMB has implemented the Alpine Resorts Leasing Policy in accordance with the goals and objectives in the:

- Alpine Resorts Strategic Plan 2020–25;
- Falls Creek Strategic Plan 2013 – A Pathway to the Future; and,
- Falls Creek Master Plan 2016.

### BROADENING ACTIVATION

Alongside achieving the highest winter visitation on record in the resort, the summer 2022 period also saw some of the highest levels of visitation to Falls Creek on record due to an overall increase in domestic tourism across regional Victoria. This was due in part to the limitations of interstate and international travel during the COVIDSafe Settings.

Ongoing activation of mountain bike and walking trails provided key non-winter tourism at Falls Creek. Continued planning for additional trails, mountain bike touring and gravel event activation will promote a new market segment in 2022–23 and is a key objective for resort development opportunities.

Further activation of the Rocky Valley Lake foreshore continues to progress with the Lakeside precinct entering into the community consultation phase with preliminary planning and design phases underway.

Broadening access opportunities in the Resort is a key priority and it is hoped access to the Rocky Valley Lake foreshore will become easier with a new 60 metre concrete boat ramp installed in October with financial assistance welcomed from Better Boating Victoria's Recreational Boating Structural Maintenance Grants Program. Further funding has also been secured to build an accessible "Changing Places" facility and also a unisex all abilities toilet.

### NEW LEASES AND PROPERTY TRANSACTIONS

A strong leasing framework remains a keystone for the progressive development of the village. Appropriate lease negotiation and subsequent development provides the foundation for the village to remain a contemporary guest experience at all times of the year. Significant developments are occurring throughout the village, with a growing trend towards high end/luxury apartment accommodation being pursued by various developers. All developers work closely with FCARMB to ensure works are compliant with the Building Code of Australia also ensuring that planning permits are issued under the Alpine Resorts Planning Scheme.

Property sales continued to rise in 2022 in Falls Creek with 38 commercial transactions from the period 1 January 2022 to 30 September 2022 consented to. The 38 property transactions representing close to \$30.5 million of invested capital and comprised two head leases and 34 sub leases or retail leases with an average sale price of \$802,397.37.





## Delivering Resort Services and Infrastructure

The Infrastructure and Mountain Response Group had the primary role within Falls Creek Alpine Resort for the provision of essential services, infrastructure and emergency management functions enabling the Falls Creek village and broader resort to operate in a safe, reliable and contemporary capacity.



Throughout the year these services include the provision and management of potable water, wastewater treatment, waste collection, roads and car parks, stormwater systems, public buildings, public spaces, emergency management and geotechnical risk mitigation. During the declared snow season, key services extend to include village transport, accommodation transfer services, freight services, car parking, snow clearing, village roads snow management, ski patrol and cross-country trail grooming.

Many responsibilities of the resort are like those of a municipality with the primary focus of work in the non-winter period being the maintenance of assets and delivery of the capital works program. Capital works efforts are concentrated during this period and are of critical importance to ensure priority asset renewal, replacement and investment programs are delivered for the resort.

Winter services provisions over the 2022 season were at maximum capacity on numerous occasions due to the substantial increase in visitation.

### ASSET MANAGEMENT

FCARMB is focussed on the long-term improvement of the asset management program, including enhancement of the existing asset information database, development of detailed asset management plans and comprehensive roll out of preventative maintenance programs for the existing asset base. A key focus area in 2022 was the development of long-term asset renewal forecasting to allow prioritisation of improvement to assets with lower condition ratings.

### CAPITAL WORKS PROGRAM

The capital investment program for 2022 included the following highlights:

- Stage Five mountain bike trail development
- New village water back up bore supply
- Accommodation Transfer Service building upgrade
- Administration building recladding
- Oversnow transport vehicle replacement
- Lakeside development precinct progression

### WINTER OPERATIONS

- The 2022 winter was characterised by the best start to a season since 2000 due to high snowfalls
- Regular snowfalls occurred over July and August keeping the snowpack generally above average.
- Major late season snowfall in September keeping snow conditions excellent throughout spring.

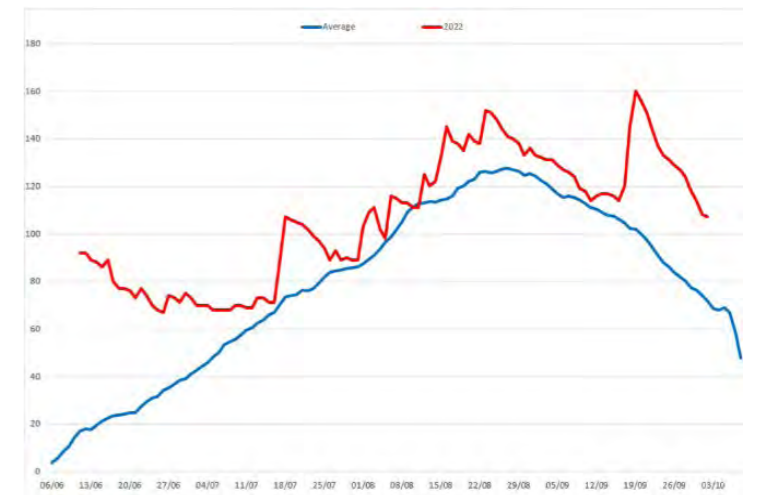
Significant snowfall events occurred as follows:

- 92cm (11th June)
- 36cm (18th July)
- 25cm (16th August)
- 46cm (19th September)

The pattern of snowfall in recent times at Falls Creek has moved towards larger storm-based accumulation, away from historical patterns which have been based on more frequent smaller snow events. This has implications for machinery and resourcing given the scale of these storms.

The average snow depth across the season was 107cm, well above the long-term seasonal average of 80cm.

Figure 3: Falls Creek Snow Depths 2022



## ROAD ACCESS

Maintaining a safe and user-friendly village road network to ensure reliable commercial operation of the resort and critical emergency services access is one of FCARMB's primary responsibilities.

As a ski-in/ski-out village, Falls Creek offers a unique experience for snow enthusiasts. Throughout 2022 this process continued to ensure safe local access and to maximise the longevity of the snowpack after the initial falls in June.

This winter season the village roads were closed to wheeled vehicle access for a total of 93 days, well above the seasonal average of approx. 70 days.

Resort access via Bogong High Plains Rd was maintained throughout the season with minimal incidents despite the increased traffic volumes.

The Bogong High Plains Road between Falls Creek and the Omeo Valley is not cleared of snow throughout the season, enabling its use as a key cross-country ski trail. In 2022, the road was closed to vehicles from 30th May.

During the season, FCARMB cleared numerous tree and rockfall events and actively managed the road to support chain fitting operations and critical gas tanker transit during storm events.

## TRANSPORT AND CAR PARKING SERVICES

Resort transport and car parking operated consistently throughout the season, with adjustments to meet changes in demand. Freight delivery management operated consistently throughout winter supporting the local population. All freight services are delivered free of charge to all business and commercial lodges, removing many vehicles from the village roads and contributing to an improved village amenity.

## SKI PATROL

Falls Creek's ski patrol is responsible for safety on the ski slopes. Substantial additional training and preparation occurred for the 2022 season to ensure COVID-19 safety of patrollers and the general public.

The international ski patroller exchange program with the United States resumed in 2022 with two excellent candidates assisting patrol operations over the season.

The patrol is responsible for attending incidents, minor treatment/assessment in the field and transportation of patients to the medical centre or for handover to Ambulance Victoria. In 2022, the patrol responded to a total of 1638 incidents compared to the long term average of 1330, largely due to the increased visitation.

## EMERGENCY MANAGEMENT

FCARMB is responsible for developing and maintaining a Municipal Emergency Management Plan (MEMP) that is compliant with the *Emergency Management Act 2013*. The Falls Creek MEMP Committee met twice during the 2022 period: 11th May and 12th October. During 2022 the principle significant emergency requiring activation of the MEMP; the ongoing COVID-19 Safe Settings. FCARMB

remains committed to responsible and compliant emergency management and works closely with all agencies to ensure this can be achieved.

## WATER SUPPLY

Falls Creek enjoys a unique high quality water supply that is compliant with the water quality standards prescribed by the *Safe Drinking Water Act 2003* and *Safe Drinking Water Regulations 2015*. During the year, the resort used a combination of groundwater from the new bore supply and surface water from Rocky Valley Reservoir. The treatment process includes pH buffering and final stage UV disinfection. The quality of supply was maintained at exceptional standards throughout the year.

Testing for water quality compliance was conducted weekly at a range of locations within the system. In 2022, all quality test results were fully compliant with all legislative requirements.

The annual consumptive water usage in 2022 was 165 megalitres (ML) compared to 108 ML the previous year.

## WASTE WATER MANAGEMENT

Another key role for FCARMB is the safe, efficient and compliant treatment and discharge of wastewater. The wastewater treatment plant operates year-round under a biological nutrient removal aerobic process with treated effluent discharged into the Rocky Valley Creek catchment and activated sludge removed from resort during the summer months. The plant achieves high standards of nitrogen and phosphorus removal. Final deactivation treatment is achieved using high-intensity UV light.

Effluent from the plant is subject to an Environment Protection Authority (EPA) waste discharge licence that specifies limits for key parameters, tested monthly. Testing in 2022 indicated the effluent from the plant was fully compliant with the parameters specified in the discharge licence.

In 2022, the total annual discharge was 148 ML compared with 84 ML the previous year.

## GEOTECHNICAL RISK MITIGATION

FCARMB's geotechnical program is an essential component of managing geotechnical risk in the resort. This program has enabled FCARMB to design and deliver an ongoing recurrent works program that includes the collection and analysis of groundwater data and early identification of emerging hazards.

In addition to recurrent monitoring of risk via a network of groundwater drains, a range of capital works is undertaken each year. In 2022, these works included the upgrade of degraded stormwater infrastructure, upgrades/installation of retaining walls and improved access to existing groundwater monitoring bores.

## SUMMER OPERATIONS

Visitation to Falls Creek in summer 2021-2022 was strong despite ongoing COVIDSafe settings requirements. The January peak visitation was estimated as 1500, providing a vibrant and activated village amenity.

Careful planning is undertaken to ensure the capital and maintenance works program can be completed with minimal disruption to visitors during this period.

Management of village access and resort parking during peak summer periods was again required in 2022 to maintain the amenity and safety of the village.

Falls Creek has a mountain bike trail network designed and built to international standards. This receives extensive use over the summer and requires the employment of dedicated resources to maintain these standards.

Additionally, over the summer months, a select group of ski patrollers are tasked with providing Bike Patrol for the mountain bike park. This greatly enhances user safety and assists in first response to incidents in the park.





## Respecting the Alpine Environment

FCARMB continued to prioritise the protection and enhancement of the alpine environment throughout 2022.

Falls Creek Alpine Resort is an area of high biodiversity value with many species that are restricted to alpine and sub-alpine areas. This includes several rare and threatened species and communities listed under the *Environment Protection and Biodiversity Conservation Act 1999* and *Flora and Fauna Guarantee Act 1988*.

Additionally, the Resort is situated at the top of the water catchment that provides significant contribution to the flows of the Murray River.

### ENVIRONMENTAL MANAGEMENT

Environmental management and resort operations in the summer of 2021–22 were carried out in accordance with resort obligations and the Falls Creek Environmental Management Plan (EMP) 2017. Following an extensive review of the Environmental Management System, the updated Falls Creek EMP 2022 was finalised in June 2022 with implementation beginning shortly after. The EMP identifies the aims and objectives for environmental management in the resort over the five broad themes of: 1) Biodiversity and Threatened Species, 2) Water and Catchment Management, 3) Waste and Resource Consumption, 4) Land Use and Development, and 5) Energy and Climate Change.

Achievements for the period across theme included:

- **Biodiversity and threatened species** – The continuation of the ongoing internal weed control program detecting and removing environmental weeds. Year-round monitoring of resort-wide pest animals to inform targeted pest animal control programs. Continuation of the annual long-term population monitoring of threatened Mountain Pygmy-possums in the summer of 2021–2022. The establishment of a long-term monitoring program for threatened Guthega Skinks to enable monitoring of local populations. The development of a Rabbit Action Plan to achieve effective long-term management of rabbits in the resort to be implemented following the end of the 2022 snow season.
- **Water and catchments** – Full compliance with water use, extraction, quality, supply, and discharge licences. Seasonal aquatic sampling was carried out in autumn (and is scheduled for spring 2022) to monitor the water quality downstream of the Falls Creek village and the waste water treatment plant to ensure resort activities do not impact waterway condition. Weed control to improve biodiversity outcomes occurred during the summer of 2021–22 removed weeds from riparian areas

and waterways (see specific biodiversity programs section below).

- **Waste and resource use** – FCARMB worked to increase waste resource recovery and minimise environmental impacts by participating in regional and nationwide recycling and waste education programs including:

1. Working with regional alpine resorts to undertake research into solutions for eliminating single-use coffee cups.
2. Partnering with regional councils and alpine resorts within the North East Waste and Resource Recovery Group to improve event waste management within north east Victoria.
3. Promoting Plastic Free July with a focus on encouraging people to refuse single-use coffee cups by either using re-usable cups or choosing to dine in.
4. Promoting actions to minimise food waste through virtual webinars as part of the "Best is Yet to Crumb" campaign, to reduce the amount of bread and baked goods being disposed of.
5. Participating in the "Game On" ski sports equipment recycling program to divert skis, ski poles, snowboards, and ski boots from landfill.

Use of the community recycling station continued in 2022, collecting eye care items, oral care items, writing instruments, small e-waste, and disposable face masks. All stakeholders and business operators were given the opportunity to take part in training on the "Living Bin" program and waste separation requirements at Falls Creek either in-person or online.

- **Land use and development** – Development and works considered the alpine environment and were managed to minimise environmental impacts wherever possible. Offsets were secured within the Resort to provide protection to these areas into perpetuity.
- **Energy and climate change** – In the summer of 2021–22, the Resort installed a 7.2 kW solar power system to the waste water treatment plant as a trial to inform future applications and identify any challenges associated with operating within the alpine environment. Building upgrades to FCARMB offices completed in 2022, improved energy efficiency by installing thermally broken double-glazed windows, insulation, and cladding. A more efficient over snow vehicle utilising biodegradable hydraulic fluid was acquired to improve snow operations.

Management practices were undertaken with



consideration of the principles and objectives of the Victorian Biodiversity Plan, Protecting Victoria's Environment – Biodiversity 2037. Specific examples of actions in 2022 towards the Plan's goals included:

#### Goal: Victorians value nature

- FCARMB supported environmental education and awareness through campaigns, communication, and support to the Falls Creek Environmental Interest Group.
- FCARMB partnered with La Trobe University and Mt Hotham Alpine Resort to establish the Alpine Snowpatch Vegetation Monitoring Project with funding support from the Alpine Garden Society Victorian Group. This project encourages citizen scientists to gather long-term visual data to monitor changes to the size and persistence of snow cover of snowpatches.
- FCARMB continued to be involved in the promotion of numerous online citizen science projects.

#### Goal: Victoria's natural environment is healthy

- Through targeted control programs and ongoing works, ecological regimes were improved by the removal of the biodiversity threats of weeds and pest animals. Major works for 2021–22, included the control of extensive areas of blackberry within the montane habitat of the Resort.

#### SPECIFIC BIODIVERSITY PROGRAMS

FCARMB received federal and state funding to support biodiversity projects during 2022. These grants enabled specific threats to biodiversity to be targeted:

- **for the Mountain Pygmy-possum** – Ongoing involvement in the cross-tenure project focused on Mountain Pygmy-possum recovery in the Victorian Alps worked to deliver pest predator monitoring and control works in and around critical habitat. This project was supported by FCARMB, through funding from the Federal Government's National Landcare Program.
- **for biodiversity across the resort** – Funded projects

focusing on improving biodiversity outcomes through pest predator and weed control occurred in the summer of 2021–22. This funding enabled increased effort towards controlling foxes and feral cats in the resort to protect threatened fauna.

- **for threatened peatlands** – The Peatlands Willow Control Project used sensitive methods to remove willows within peatlands in the Resort over the summer of 2021–22, helping to make the peatlands more resilient to any potential disturbance by bushfires by removing the existing weed load.

Cross-tenure landscape scale programs that protect native ecosystems continued to be supported by FCARMB.

FCARMB continued to assist with the ongoing Hawkweed Eradication project co-ordinated by Parks Victoria within the resort and surrounding Alpine National Park and conducted monthly surveillance for hawkweed along the mountain bike trail network throughout the growing season.

FCARMB worked collaboratively with other organisations and scientists in the Mountain Pygmy-possum state recovery team to improve outcomes for this threatened species.

FCARMB supported the surveying work being undertaken as part of the Hawkweed Eradication project using detection dogs.

#### ENVIRONMENTAL RESEARCH

FCARMB is proud to continue to collaborate with numerous organisations and tertiary institutions to undertake relevant alpine research to extend on the knowledge of unique alpine biodiversity, identify threats and inform best practice land management. In 2022, there were 14 different research projects undertaken in the resort, including several ongoing longer-term projects.





# Climate Change Metrics

THEME	METRIC	UNIT	2018	2019	2020	2021	2022
<b>Tourism – Winter</b>	Declared snow season	days	121	121	121	114	<b>121</b>
	Visitor days	days	468,490	465,457	46,733	208,482	<b>532,399</b>
	Visitors	persons	179,131	171,533	14,150	74,799	<b>195,993</b>
	Maximum natural snow depth and date	cm, date	217cm: 22 Aug	162cm: 11 Aug	79cm: 24 Aug	148cm: 25 July	<b>160cm: 19 Sep</b>
	Total accumulated snowfall	cm	391	272	187	264	<b>309</b>
<b>Tourism – Summer</b>	Visitors	persons	97,493	95,137	56,694	89,839	<b>85,800</b>
<b>Tourism – all season resort</b>	Total annual visitors	persons	276,624	266,670	70,844	164,638	<b>281,793</b>
	All-season resort index (ratio of non-winter visitors to winter visitors)	number	0.35	0.36	0.8	0.54	<b>0.30</b>
<b>Sustainability – Water</b>	Potable water consumption:						
	a) Winter total potable water usage	ML	99	101	42	62	<b>91</b>
	b) Annual total potable water usage	ML	174	154	101	120	<b>122</b>
	c) Winter total potable water usage/visitor days	L / visitor days	211	216	893	299	<b>171</b>
	Recycled water produced	ML	0	0	0	0	<b>0</b>
	Statutory Compliance	%	100%	100%	100%	100%	<b>100%</b>
<b>Sustainability – Energy</b>	Renewable energy consumption by Board (ii)	%	>5%	>5%	>5%	>5%	<b>&gt;5%</b>
	Greenhouse Gas Emissions – by fuel type (carbon dioxide equivalence)						
	a) Electricity	CO2-e tonnes	1172	1035	950	1025	<b>917</b>
	b) LPG	CO2-e tonnes	223	196	222	247	<b>199</b>
	c) Diesel	CO2-e tonnes	313	286	114	217	<b>123</b>
	d) Unleaded Petrol	CO2-e tonnes	13	13	4	7	<b>15</b>
TOTAL	CO2-e tonnes	1721	1492	1290	1496	<b>1497</b>	
<b>Sustainability – Waste</b>	Total solid waste tonnage	tonnes	774	797	336	530	<b>614</b>
	Solid waste disposed to landfill						
	a) Annual tonnage	tonnes	401	390	143	252	<b>311</b>
	b) Winter tonnage	tonnes	271	272	71	125	<b>242</b>
	c) Winter kilograms/visitor days	tonnes	0.58	0.58	1.52	0.59	<b>0.45</b>
	Waste diverted from landfill %						
- Recyclables	%	39%	45%	55%	52%	<b>49</b>	
- Organics	%	9%	6%	3%	5%	<b>8%</b>	
<b>Sustainability – Paper</b>	A4 equivalent copy paper used	reams	164	156	122	150	<b>105</b>
	A4 equivalent copy paper used per FTE	reams/FTE	4.7	4.6	3.3	3.8	<b>1.75</b>
	Percentage of recycled content	%	30%	100%	100%	100%	<b>100%</b>

\*Note the 2022 statistics are reporting for a nine month period only, previous statistics reflect the complete 12 month calendar year.



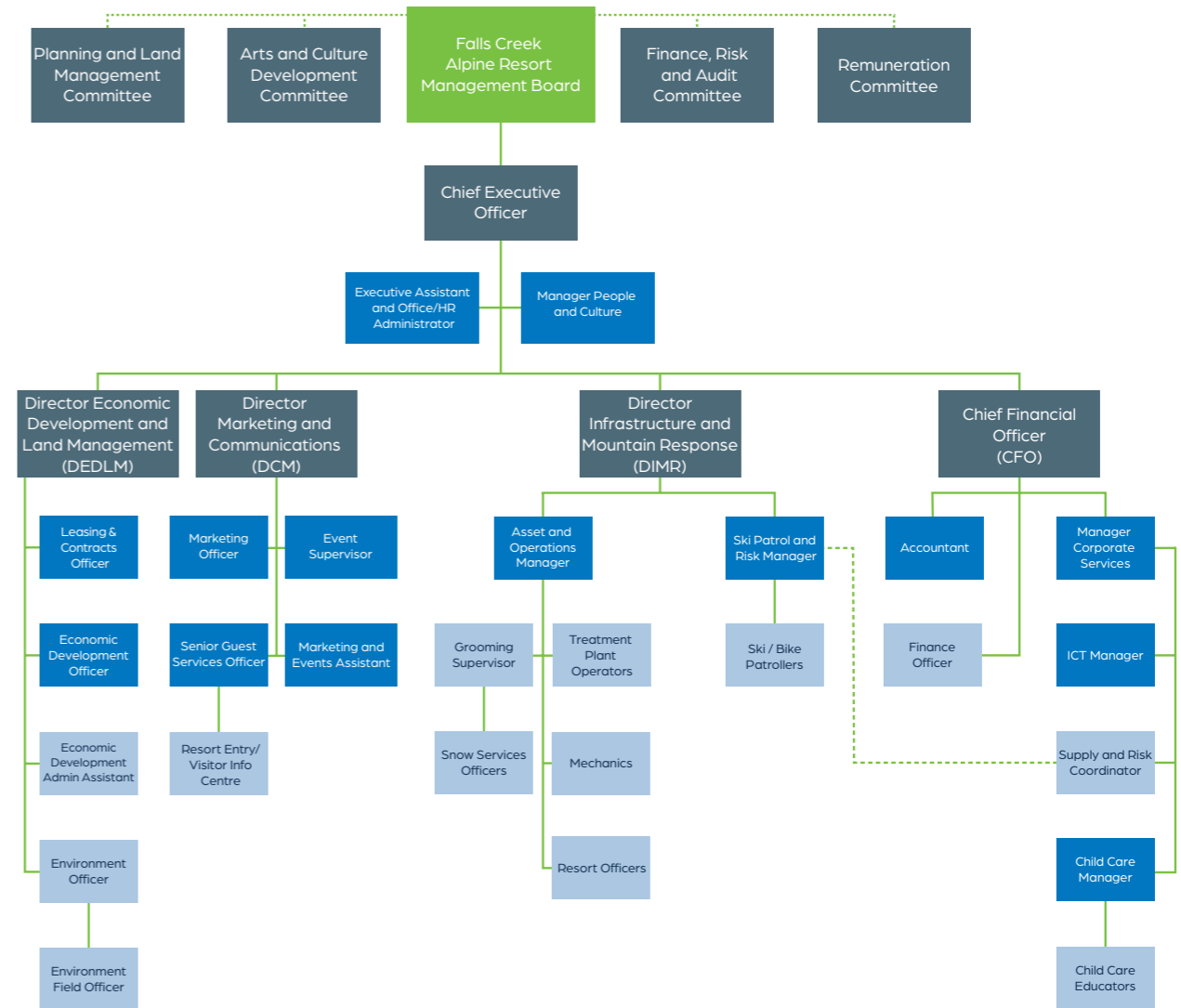


# Organisational Structure and Corporate Governance

FCARMB's functional structure included the following defined areas:

- Economic Development and Land Management
- Marketing and Communications
- Finance and Corporate Services
- Infrastructure and Mountain Response

FCARMB's organisational structure at 30 September 2022 is outlined in the following chart.



# Governing Board

The Board had eight scheduled meetings per year and operated with a Committee structure as detailed in the organisational chart to meet accepted principles of good governance and compliance requirements and to assist with the work of management and the Board.



## JO SHANNON

1 JANUARY TO 30 SEPTEMBER 2022

Chair Jo Shannon brings to the Board over 20 years' experience in financial management and corporate governance in local government, alpine resorts, hospitality and the health sector. She is currently the Director Corporate & Community Services with Federation Council and leads the Secretariat team for Rural Councils Victoria Inc. Prior to local government, Jo's management experience was gained in Melbourne media and technology companies and the alpine sector where she was employed by FCARMB as the CFO and senior executive, leaving in 2013 to pursue other professional opportunities. More recently, Jo has served as a member of the Mount Hotham Alpine Resort Management Board and as Chair of its Audit Committee. As a keen skier and bushwalker, Jo has spent extensive time in the Victorian and NSW Alps and has travelled to many overseas ski resorts in North America, Europe and Japan. She is a full member of Albury Ski Club and an associate of Myrtleford Ski Club and has been part of the broader Falls Creek community for over 20 years. Now living in Albury, Jo considers herself very fortunate to have lived for 15 years in Mount Beauty, raising a young family and serving on a range of community boards, including the Alpine Health Board of Management, Alpine Shire Council Audit Committee and the local Bendigo Community Bank. Jo is committed to engaging communities to deliver a range of sustainable strategic outcomes as Falls Creek positions itself for the future.

## LINDY ALLEN

1 JANUARY TO 30 SEPTEMBER 2022

Lindy is a highly-experienced senior executive currently operating Living-Proof Media, an independent consultancy to the arts offering services including documentation, evaluation, writing and editing for publication. Other current board roles include the Cultural Development Network and Winton Wetlands. Former board roles include Narrandera-based arts organisation, the Cad Factory, Lakes Entrance-based Aboriginal cultural organisation Wurrinbeena, Regional Arts Australia and the Australian Children's Theatre Foundation. Lindy is a judge/mentor for the Victorian Tourism Industry Commission RACV Tourism Awards and a grant assessor for Regional Arts Victoria's range of recovery programs. Organisation leadership roles include CEO of Regional Arts Australia (2013-2014) and CEO of Regional Arts Victoria (2004-2012). During 2012-2013, Lindy was Executive Producer for the Centenary of Canberra's largest national community engagement program, One River, spanning four states and a territory. Professional qualifications include Bachelor of Arts (University of Melbourne), Graduate Diploma Arts Management (University of South Australia), photojournalism major, Bachelor of Creative Arts (Latrobe University, Bendigo) and Graduate Australian Institute of Company Directors (GAICD).

## JASON ALEXANDRA

JANUARY 1 TO SEPTEMBER 30 2022

Jason Alexandra has over 30 years' experience working on sustainability and Natural Resources Management (NRM) operating consulting, revegetation and farming businesses and working in senior roles in national and international organisations. Jason has been a Director of Land & Water Australia and the Port Phillip CMA. As the Executive Director of the Earthwatch Institute, Jason initiated the successful citizen science program ClimateWatch. Between 2008 and 2013, Jason was a senior executive at the Murray Darling Basin Authority with responsibilities for NRM, water reform, climate science and ecosystem management. As the managing director of Alexandra and Associates Pty Ltd, Jason has completed over 100 consulting projects on sustainability, natural resources management, environment and water policy. Jason has a long-term love affair with Victoria's alpine regions as a bushwalker and skier.

## HELEN MORAN

JANUARY 1 TO SEPTEMBER 30 2022

Helen Moran is an accomplished executive leader, possessing extensive business and commercial knowledge and expertise within the ski resort and tourism industries. Helen has a demonstrated track record of providing tangible results that positively impact on organisational performance. Helen is experienced at initiating strategic change that positively impacts on efficiency and bottom-line profitability, without compromising quality of service or standards. Adept at providing leadership throughout an organisation, and recognised as a strategic thinker and leader within the industry, Helen's past experience on various committees and boards in the alpine resort area and generally in tourism allows her to contribute towards the future direction of Victoria's Alpine Resorts

## PETER VALERIO

JANUARY 1 TO SEPTEMBER 30 2022

Peter has over 30 years' experience in commercial, public sector and business roles within the tourism sector and is widely respected for his destination marketing expertise. In his early career, he was general manager for one of Australia's largest ski tour operators and accommodation providers. He is a former senior executive of the Australian Tourist Commission (ATC), where he was responsible for evaluating the Commission's global marketing program, strategic analysis and resource allocation. He was part of the ATC team that developed 'destination branding' – an approach to destination marketing that has been adopted around the world. For the past 24 years, he has provided consulting services to a wide range of destinations in the form of tourism strategies, plans and related market analysis. Peter led the rebranding of Far North Queensland, guided the Hong Kong Tourism Board's strategy in the post-handover period and assisted in the development of three consecutive Tourism Master Plans for NSW. He has also advised a wide range of private sector tourism industry clients in most sectors of the tourism industry. More recently, he has assisted NSW National Parks & Wildlife Service in areas of asset management, consumer experience and product development, and prepared what is arguably the most comprehensive tourism forecasting exercise undertaken in regional Australia. He is a former faculty member of Hawaii's Executive Development Institute for Tourism where he delivered executive training modules in tourism marketing and market research. He is married with four children and lives in North East Victoria.



# Board Committees

## FINANCE, RISK AND AUDIT COMMITTEE

The Finance Risk and Audit Committee (FRAC) had a range of duties and responsibilities to fulfill as a Committee of the Board. In summary, these duties included: a) reviewing the program and the audits conducted both by the organisation's internal and external auditors; b) maintaining open lines of communication with the Board, the internal auditors and the external auditors; c) reviewing the financial information to be presented by management to the Department of Environment, Land, Water and Planning (DELWP); d) reviewing the adequacy of internal controls; e) oversight of compliance and recommendations to the Board as to appropriate policies and governance; and f) reviewing the Risk Management Framework and critical risks from the Risk Register. Substantial work and effort was directed to standardise, streamline and improve reporting and processes; monitor and benchmark risk management performance; revise strategic documentation and policies; ensure procurement probity; and enhance governance and compliance.

Membership of for the 2022 reporting period included:

- Lindy Allen (Deputy Chair)
- Helen Moran (Chair) from July 2021
- Jo Shannon from July 2021

## ARTS AND CULTURAL DEVELOPMENT COMMITTEE

This committee was formed in 2016 to develop an arts and culture strategy to connect key points identified in the Falls Creek Master Plan. The committee oversaw the implementation of this strategy which provides a clear framework for development of arts and culture in the resort.

Membership for the 2022 reporting period included:

- Lindy Allen (Chair)
- Peter Valerio
- Debbie Howie (Falls Creek Chamber of Commerce representative)
- Rosie Seaton (Falls Creek community representative)
- Roger Kilby (Falls Creek Historical Society representative)

## PLANNING AND LAND MANAGEMENT COMMITTEE

This committee assisted the Board in fulfilling its responsibilities relating to planning and land management within the resort. Membership of for the 2022 reporting period included:

- Jason Alexandra (Chair)
- Peter Valerio
- Lindy Allen

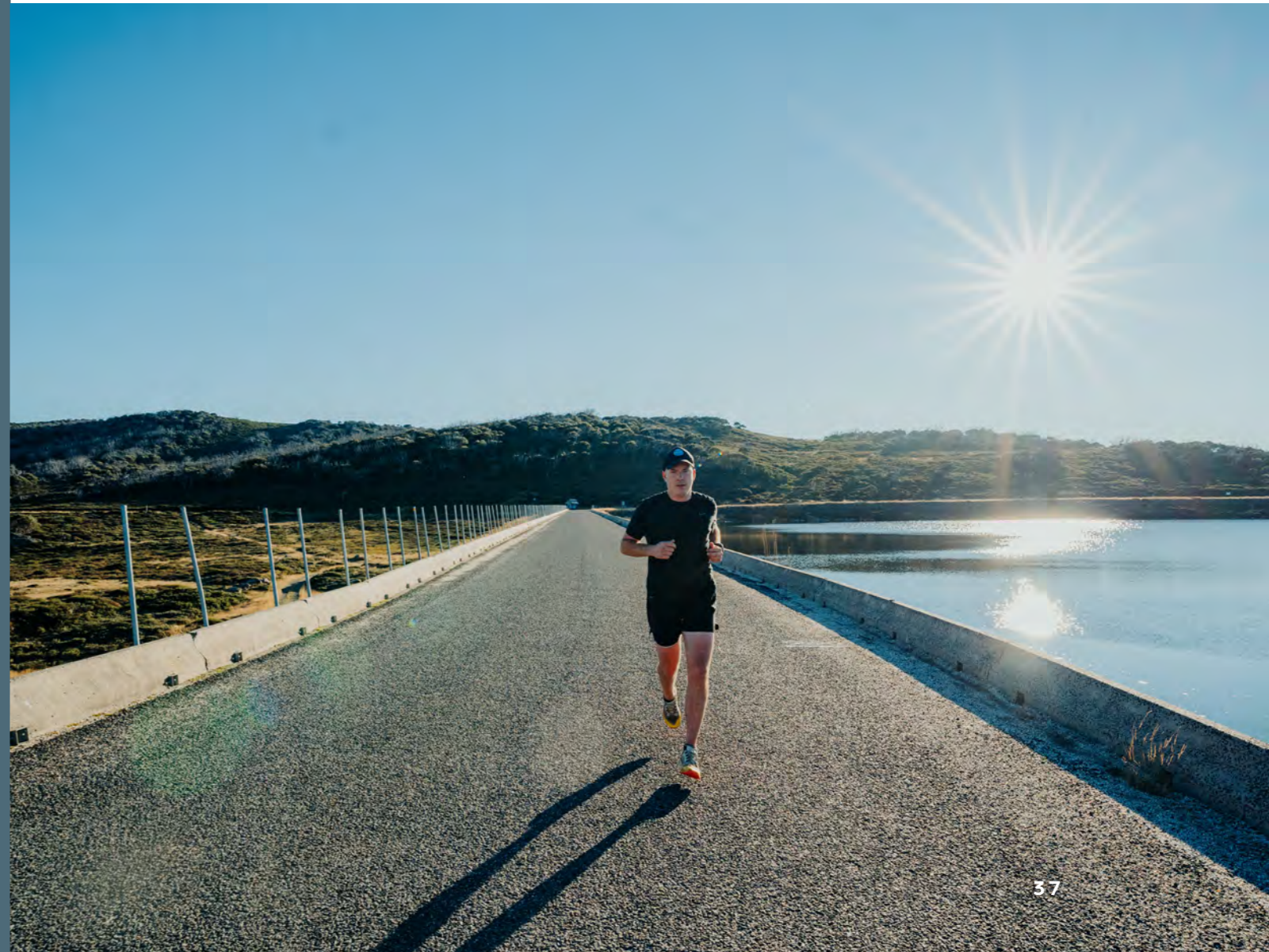
## PEOPLE, CULTURE AND REMUNERATION COMMITTEE

Membership during the 2022 reporting period included:

- Helen Moran (Chair)
- Jason Alexandra
- Jo Shannon from July 2022

## BOARD AND COMMITTEE ATTENDANCE

NAME	BOARD	PLANNING AND LAND MANAGEMENT COMMITTEE	FINANCE, RISK AND AUDIT COMMITTEE	ARTS AND CULTURAL DEVELOPMENT COMMITTEE	PEOPLE, CULTURE AND REMUNERATION COMMITTEE
Jo Shannon	6/6		4/5		1/1
Lindy Allen	6/6	6/6	5/5	6/6	
Jason Alexandra	5/6	6/6			1/1
Helen Moran	6/6		5/5		1/1
Peter Valerio	5/6	5/6		5/6	
Deb Howie				5/6	
Rosie Seaton				4/6	
Roger Kilby				6/6	



# Occupational Health and Safety



## OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

MEASURE	KPI	2022 (JAN 1 – SEP 30)	2021	2020	2019
Incidents	Number of Incidents	34	57	30	53
	Rate per 100 FTE	56.6	146.2	81.1	155.9
	No. of incidents requiring first aid and/or further medical treatment	7	32	5	17
Claims	Number of standard claims	2	6	1	8
	Rate per 100 FTE	3.3	15.4	2.7	23.5
	Number of lost time claims	2	1	4	4
	Rate per 100 FTE	3.3	2.7	9.4	11.8
	Number of claims exceeding 13 weeks	1	1	0	2
	Rate per 100 FTE	1.6	2.7	0.0	5.9
Fatalities	Fatality Claims	0	0	0	0
Claim costs	Average cost per claim	\$875	\$2,130	\$3,809	\$27,307
Return to Work (RTW)	Percentage of claims with RTW plan < 30 days	50%	50%	100%	100%
Management commitment	OH&S policy statement, OH&S objectives, regular reporting to Board and senior management of OH&S, and OH&S plans	completed	completed	completed	completed
	Evidence of OH&S criteria(s) in purchasing guidelines (including goods, services and personnel)	completed	completed	completed	completed
Consultation and participation	Evidence of agreed structure of designated work groups (DWGs), health & safety representatives (HSRs) and issue resolution procedures (IRPs)	completed	completed	completed	completed
	Compliance with agreed structure on DWGs, HSRs and IRPs	completed	completed	completed	completed
Risk management	Percentage of internal audits/inspections conducted as planned	100%	100%	75%	70%
	No. of Improvement Notices issued by WorkSafe Inspector	0	0	0	0
	Percentage of issues identified actioned arising from:				
	- internal audits/Inspections	100%	100%	100%	100%
	- HSR provisional improvement notices	n/a	n/a	n/a	n/a
Number of - OH&S committee meetings	6	8	8	8	
Training	Percentage of managers and staff that have received OH&S training:				
	- Induction	100%	100%	100%	100%
	- Management training	90%	90%*	100%	100%
	Percentage of HSRs trained:				
	- Acceptance of role	100%	100%	100%	100%
	- Re-training (refresher)	0%	0%	100%	100%
	- Reporting of incidents and injuries	100%	100%	100%	100%

# Human Resources

## PUBLIC SECTOR VALUES AND EMPLOYMENT PRINCIPLES

FCARMB continued its commitment to the principles of merit and equity in human resource management. All appointments and promotions conducted during the reporting period were based on competitive selection processes. These selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. The organisation continued to implement the directions of the Victorian Public Sector Commission with respect to upholding public sector conduct, managing and valuing diversity, managing underperformance, reviewing personal grievances and selecting on merit. Employees have been correctly classified in workforce data collections.

FCARMB has an integrity framework which incorporates

integrity obligations and accountabilities in the *Public Administration Act 2004*. The framework includes policies on:

- Gifts, Benefits and Hospitality
- Board Meetings and Decision Making
- Conflict of Interest
- Procurement
- Fraud Corruption and Control.

FCARMB ensures that these are provided to all new staff and Board members, ensuring that they are aware of and comply with these policies.

Ensuring compliance with the Code of Conduct for Victorian Public Sector Employees and the Board of Director's Code of Conduct is also documented in the Integrity Framework.

## WORKFORCE DATA

	SEPTEMBER 2022						DECEMBER 2021							
	ALL EMPLOYEES		ONGOING			FIXED TERM/ CASUAL		ALL EMPLOYEES		ONGOING			FIXED TERM/ CASUAL	
	H/C	FTE	FULL-TIME H/C	PART-TIME H/C	FTE	H/C	FTE	H/C	FTE	FULL-TIME H/C	PART-TIME H/C	FTE	H/C	FTE
<b>DEMOGRAPHIC DATA</b>														
Employees	44	34	14	1	14	29	20	46	39	31	4	33	11	6
Male	35	27	14	5	16	16	11	22	18	15	3	16	4	2
Female	35	27	14	5	16	16	11	22	18	15	3	16	4	2
Self-described	n	n	n	n	n	n	n	n	n	n	n	n	n	n
<b>Age</b>														
15-24	11	9	1	0	1	10	8	4	3	2	0	2	2	1
25-34	22	16	11	0	9	11	7	12	10	9	0	9	3	1
35-44	18	14	6	5	9	7	5	12	11	9	2	10	1	1
45-54	15	12	4	1	5	10	7	9	8	6	2	7	1	1
55-64	11	8	5	0	5	6	3	8	6	5	0	4	3	2
65+	2	2	1	0	1	1	1	1	1	0	0	0	1	1
<b>CLASSIFICATION DATA</b>														
Band 2	0	0	0	0	0	0	0	1	1	1	0	1	0	0
Band 3	1	7	0	0	0	11	7	5	3	1	0	1	4	2
Band 4	4	20	5	2	6	17	14	9	7	4	1	5	4	2
Band 5	0	20	12	2	11	16	9	15	13	11	1	11	3	2
Band 6	6	6	5	0	5	1	1	6	6	6	0	6	0	0
Band 7	6	6	4	2	6	0	0	8	7	6	2	7	0	0
Executives	2	2	2	0	2	0	0	2	2	2	0	2	0	0
<b>Total employees</b>	<b>79</b>	<b>60</b>	<b>28</b>	<b>6</b>	<b>30</b>	<b>45</b>	<b>31</b>	<b>46</b>	<b>38</b>	<b>31</b>	<b>4</b>	<b>33</b>	<b>11</b>	<b>6</b>

Abbreviations: H/C = Headcount; FTE = Full-time Equivalent; n = no-one has identified in the category. Note: FTE figures in above table are rounded to the nearest whole number, so there may be rounding errors for some totals.

Note: As the declared snow season is June to October, the seasonal nature of employment has an impact on viewing this data alongside comparisons for the 30 September 2022 year-end ahead of the transition to Alpine Resorts Victoria (ARV)

## INCLUSION POLICY

FCARMB is committed to policies, programs and strategies aimed at delivering culturally appropriate services to all Victorians. In carrying out its business, FCARMB ensures that there is female representation and equity and involves women in consultation, decision-making, leadership and equality of

opportunity. FCARMB abides by Aboriginal Affairs Victoria's reporting requirements.

FCARMB has commenced work on a Gender Equality Action Plan to comply with the *Gender Equality Act 2020*. This work will be carried over to ARV.

# Legislative Compliance and Regulatory Reform

## STATUTORY UNDERTAKINGS

The statutory undertakings of FCARMB were:

- as a Board of Management under the Act to manage the land at Falls Creek declared to be an alpine resort and to deliver the functions and services specified in the Act
- to act as a Committee of Management under the *Crown Land (Reserves) Act 1978*, and to exercise the powers conferred under that Act
- to provide the services of a municipal council for the purposes of the *Emergency Management Act 1986* and Division 2A of Part 9 of the *Environmental Protection Act 1970 (EPA)*
- to administer and enforce Parts 3, 4, 5, 7 and 8 of the *Building Act 1993* and the building regulations in the resort
- to regulate traffic and parking within the resort as a prescribed Public Authority under the *Road Safety Act 1986*
- to provide public health services within the resort under the provisions of the *Public Health and Wellbeing Act 2008* and *Food Act 1984*
- to consider applications for planning permits in accordance with Sections 52 and 55 of the *Planning and Environment Act 1987*. The Minister with administrative responsibility for Alpine Resorts and responsible for the (CL(R)A) is the Minister for Energy, Environment and Climate Change

## NATURE AND SCOPE OF ACTIVITIES

FCARMB provides a range of services to the community and resort visitors determined by clearly defined functions under the Act, which require the Board to:

- plan for the development, promotion, management and use of the resort in accordance with the object of the Act
- develop and promote, or facilitate the development or promotion by others of the use of the resort in accordance with the object of the Act

- manage the resort in accordance with the object of the Act
- contribute to the development of the Alpine Resorts Strategic Plan and other strategic planning for alpine resorts as a whole
- undertake research into alpine resort issues
- contribute to and support the operation of the Alpine Resorts Co-ordinating Council
- prepare and implement a Strategic Management Plan for the resort
- expend or apply revenue of the Board in accordance with a direction of the Minister under section 36(A) of the Act
- act as a committee of management of any Crown land deemed to be permanently reserved under the (CL(R)A) in the resort
- contribute, together with Tourism Victoria, established under the *Tourism Victoria Act 1992*, and the Council, to the overall promotion of alpine resorts; to develop a tourism and marketing strategy for and to promote the resort and to collect and expend voluntary contributions from commercial undertakings in the resort for this purpose
- provide services in the nature of:
  - » garbage disposal
  - » childcare and early childcare education
  - » water supply
  - » gas
  - » drainage
  - » sewerage
  - » electricity
  - » roads
  - » fire protection
  - » transport for the resort

## LOCAL JOBS FIRST

The *Local Jobs First Act 2003* brings together the Victorian Industry Participation Policy and Major Project Skills Guarantee policy which were previously administered separately.

FCARMB, being located in regional Victoria is required to apply the Local Job First policy in all projects valued at \$1 million or more. In 2022, there were no tenders above \$1 million, however recruitment focused on local residents where possible. This contributes to local economic growth, adds value to workplace culture and enhances the visitor experience to the resort through increased local knowledge.

## SOCIAL PROCUREMENT FRAMEWORK

In accordance with Standing Directions of the Minister for Finance 2016, FCARMB is required to abide by the Social Procurement Framework (SPF). As part of this, FCARMB developed a Social Procurement Strategy in September 2020, with an expiry of 1 year, or until September 2021. On 1 January 2021, the administration of the SPF transferred from Department of Treasury and Finance (DTF) to Department of Jobs, Precincts & Regions (DJPR). As part of the transfer, DJPR have determined that each agency must decide the duration of their next strategy and submit the latest version when approved. Given the transition to ARV and aligning to the Victorian Government Purchasing Board's procurement guidelines, FCARMB's strategy will be in place until October 2022.

There is a wide range of legislative and regulatory requirements and deadlines that govern the FCARMB's activities and behaviour. Those identified as priority objectives include:

- Opportunities for disadvantaged Victorians
- Supporting safe and fair workplaces
  - Action: Various training courses undertaken for staff on safe and fair workplaces and using Social Enterprises where applicable.
- Sustainable Victorian social enterprises and Aboriginal business sectors
  - Action: Researching organisations that offer price and quality competitive products and services.
- Environmentally sustainable outputs
  - Action: Switching to environmentally sustainable suppliers where possible.
- Implementation of the Climate Change Policy Objectives
  - Action: Finalisation of the Climate Change and Adaptation Policy after the finalisation of the Alpine Resorts Strategic Plan.

## Alpine Resorts (Management) Act 1997

The object of this Act is to make provision in respect of alpine resorts:

- for the development, promotion, management and use of the resorts on a sustainable basis and in a manner

that is compatible with the alpine environment, having regard to environmental and ecological considerations (in particular, climate change), economic considerations, and cultural heritage considerations (in particular, indigenous cultural heritage considerations); and

- for the use of the resorts primarily for alpine recreation and tourism, in all seasons of the year and by persons from varied cultural and economic groups.

Compliance obligations under this Act were met through:

- preparation of a Corporate Plan in accordance with Section 53;
- fixing contributions for specified services in accordance with Section 13;
- notifying the Minister of significant affecting events in accordance with Section 55;
- the keeping of a General Account in accordance with Section 56;
- delivery of the functions prescribed in Section 38;
- exercise of powers in accordance with Section 39;
- employment of staff in accordance with Section 41;
- conduct of proceedings and disclosure of interest in accordance with Sections 51 and 52;
- granting of leases in accordance with Part 2; and
- preparation of a Strategic Management Plan in accordance with Section 56.

## Alpine Resorts (Management) Regulations 2022

Regulatory obligations have been met by:

- declaration of the Snow Season;
- setting aside areas where activities are prohibited or restricted;
- setting aside areas where entry is prohibited or restricted;
- setting aside areas to be used for certain purposes;
- granting of Authorities for certain purposes; and
- managing entry and permits for other uses in accordance with Parts 2 and 3.

## Major contracts

The management of Board contracts is governed by its expenditure and contract approval policy and delegations register. The Board did not enter into any contracts greater than \$10 million in value during the reporting period.

## Freedom of Information Act 1982

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by FCARMB. Freedom of Information (FOI) requests are made in writing describing the documents requested and including payment of the \$31.80 application fee. Further charges may be payable. FOI fees and charges are not subject to GST. During the reporting period one FOI was made.

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and [www.foi.vic.gov.au](http://www.foi.vic.gov.au).

**Building Act 1993**

FCARMB is responsible for the application of *Building Act 1993* (the Act) in much the same way as a municipal council. The nominated Municipal Building Surveyor for the resort is Phil Davern. Each building within the resort area has been scheduled for inspection to ensure that the regular maintenance of essential services installed has occurred to the required operational level at the required frequency. These inspections occur over a three year inspection cycle.

**Competitive Neutrality Policy**

Competitive neutrality is a guiding principle of the Competitive Neutrality Policy and requires that FCARMB should compete with private sector businesses on the same footing. FCARMB complies with the Victorian Government policies regarding Competitive Neutrality Policy.

**Public Interest Disclosure Act 2012**

This *Public Interest Disclosure Act 2012* (the Act) enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body. The Act aims to ensure openness and accountability by enabling people to make disclosures and protecting them when they do so. FCARMB is a public body for the purposes of the Act.

**What is a public interest disclosure?** A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body. 'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption. 'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

**How to make a public interest disclosure?** A public interest disclosure about FCARMB or its board members, officers or employees can be made by contacting the Independent Broad-based Anti-Corruption Commission (IBAC) [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au). FCARMB is not able to receive public interest disclosures. FCARMB has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about the organisation or its Board members, officers or employees. FCARMB's Integrity Framework is made public its website.

**Compliance with Establishing Act**

Events Subsequent to Reporting Date Subsequent events are detailed in the financial statements.

There were no overseas visits or travel made by FCARMB employees during 2022.

**Catchment and Land Protection Act 1994**

Falls Creek continued programs in accordance with the requirements of this Act. Works included:

- control of noxious weeds
- control of pest animals
- control of State Prohibited Weeds
- ensured the health of land and waterways within the resort and their impacts within the catchment. *Crown Land (Reserves) Act 1978*
- exercise of the powers of a committee of management
- granting of licences in accordance with Section 7

**Emergency Management Act 2013**

FCARMB is deemed to be a municipal council for the purposes of this Act and has:

- prepared and maintained a Municipal Emergency Management Plan.
- complied with Section 2 in relation to coordination and planning and audit of the plan.

**Environment Protection Act 1970**

Compliance with regional waste management plans are central to meeting the obligations under this Act. Sewerage treatment operation was compliant with our Environment Protection Act (EPA) licence and an Annual Performance Statement was presented to the EPA by year end in accordance with the licence.

**Financial Management Act 1994**

Refer to Financial Statements.

**Food Act 1984 and Public Health and Wellbeing Act 2008**

Obligations and responsibilities under these Acts are met under Ministerial delegation to the Indigo Shire.

**Falls Creek Childcare**

Falls Creek Child Care (FCCC) is a small centre licensed to care for a maximum of 16 children at any given time, catering for children from 12 weeks to school age in a family grouping (mixed-age) setting. FCCC is accredited under the Australian Children's Education and Care Quality Authority's National Standards and Framework and will undertake an accreditation review in the next year. Policy and compliance are in accordance with the following legislation;

- *Child Wellbeing and Safety Act 2005*
- *Children Youth and Families Act 2005*
- *Child Wellbeing and Safety Amendment (Child Safe Standards) Act 2015*
- *Education and Care Services National Law Act 2010*

**Planning & Environment Act 1987**

FCARMB is a referral authority for planning permit applications in the Erosion Management Overlay under section 55 of this Act and has the opportunity to comment on planning permit applications as the Land Manager.

**Road Management Act 2004**

FCARMB maintains a roads register as required by this Act.

**Road Safety Act 1986**

FCARMB exercised its role as a public authority for the purposes of this Act.

**Safe Drinking Water Act 2003**

The resort met its testing and monitoring obligations prescribed by this Act with no Section 22 of the Safe Drinking Water Act notifications (applies when drinking water may not be safe) after a power outage in the Village impacted the water treatment plant on New Year's Eve.

FCARMB report on its water supply responsibilities and to the Department of Health.

**Government Advertising Expenditure**

No Government Advertising Expenditure was incurred by FCARMB during the reporting period.

**DataVic Access Policy**

FCARMB's data access processes are consistent with the DataVic Access Policy issued by the Victorian Government in 2012, any data tables produced by FCARMB will be available at [www.data.vic.gov.au](http://www.data.vic.gov.au) in machine readable format.

**Other Available Information**

The following information is available on request, subject to the *Freedom of Information Act 1982*:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the entity about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of any major external reviews carried out on the entity
- details of major research and development activities undertaken by the entity
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services

- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved

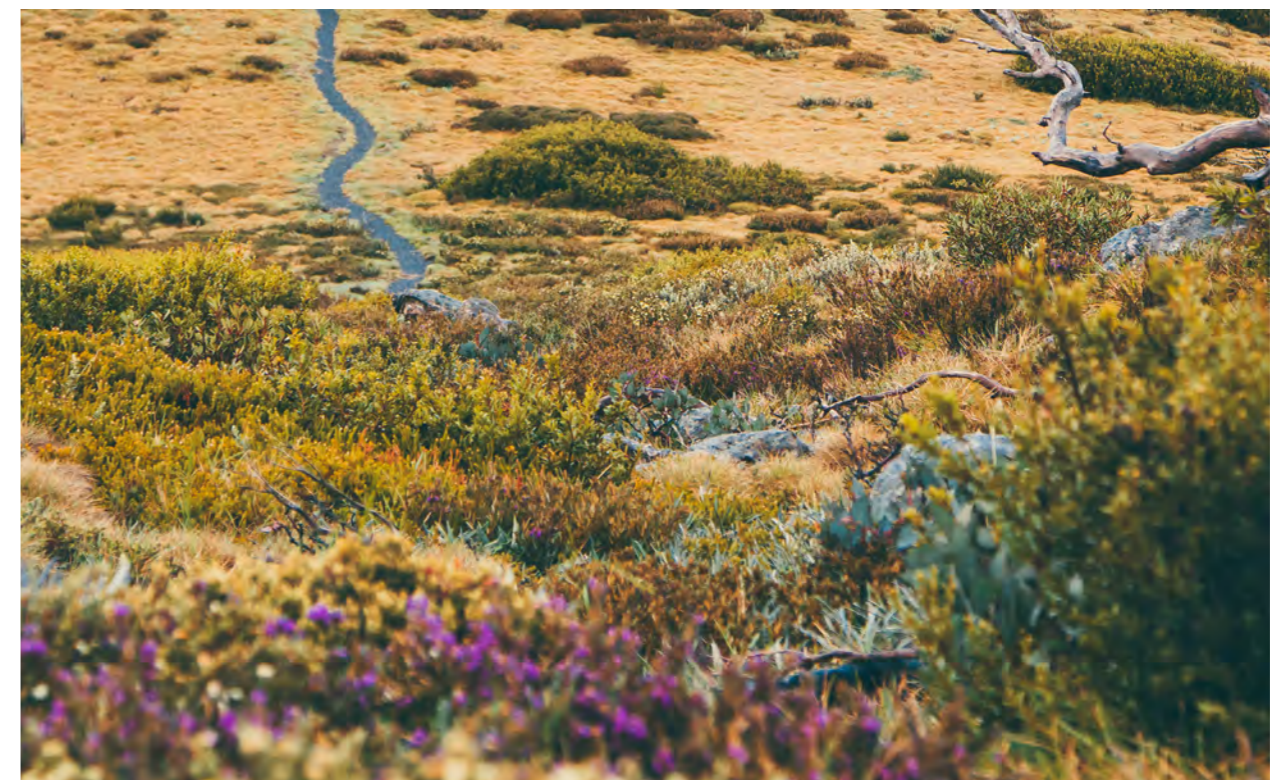
**Privacy and Data Protection Act 2014**

The privacy and Data Protection Act 2014 protects the privacy of personal information and data when it is handled by Victorian Public Sector (VPS) organisations, and by private or community sector organisations who are carrying out functions for or on behalf of VPS organisations. FCARMB complies with the strict data and information obligations required under this Act.

**Initiating Social Procurement**

Some of the Social Procurement initiatives taken at FCARMB include:

- Stationery purchases are now ordered from Kulbardi, Australia's largest Indigenous-owned holistic workplace supplier. Kulbardi supports its customers seeking to meet its social responsibilities obligations by selecting appropriate suppliers who demonstrate environmental or social responsibility with their products.
- Implementation of a new supplier form that asks the supplier to provide information regarding their level of social compliance.
- Formed a Social Procurement Group to discuss ways to implement the Victorian Government Social Procurement guidelines.



## CONSULTANCY EXPENDITURE

The selection and engagement of consultants is based on obtaining competitive public or restrictive offers through open and effective competition, observing accountability requirements and achieving value for money.

### Details of individual consultancies valued at greater than \$10,000

In 2022, there were five consultancies where the total fees payable to the consultants was \$10,000 or greater. The total expenditure incurred during January 1- September 30 2022 was \$110,880 (exc. GST).

Consultant	Purpose of consultancy	Total approved project fee	Expenditure 2022	Future Expenditure
				\$ excl. GST
Biosis	Autumn 2022 Stream Health Monitoring	6,465	6,465	-
Biosis	Ecological Assessment for the Village Fuel Management Plan	5,547	5,547	-
Ecology Links	Mountain Pygmy-possum Monitoring program 2021-22	10,370	10,370	15,000
GHD Pty Ltd	Geotechnical Risk Monitoring Program - 2021 - Project Management	30,397	30,397	30,000
On Tap Consultancy Pty Ltd	Property & Leasing consulting	44,550	44,550	50,000
Water Futures Pty Ltd	Review of water supply Risk Management Plan	13,551	13,551	

### Details of individual consultancies valued less than \$10,000.

In 2022, FCARMB engaged nine consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure in relation to two consultancies of \$44,633 (excluding GST).

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

ICT expenditure type	Expenditure 2022	Expenditure 2021
	\$ excl. GST	\$ excl. GST
ICT Business As Usual (BAU) expenditure	\$338,744	\$443,9053
ICT Non-Business As Usual (non-BAU) expenditure:		
Operational expenditure	-	-
Capital expenditure	\$28,778	\$35,235
<b>Total ICT expenditure</b>	<b>\$367,520</b>	<b>\$479,140</b>

## ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK MATURITY ASSESSMENT

The following sections summarise FCARMB's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>). FCARMB's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process.

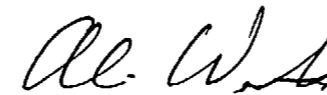
FCARMB partially complied with some requirements in the areas of leadership and accountability; planning; and operation. There is no material non-compliance reported any category. A plan for improvement is in place to improve the FCARMB maturity rating in these areas.

## VICTORIAN GOVERNMENT RISK MANAGEMENT FRAMEWORK

FCARMB's risk practices comply with the Victorian Government Risk Management Framework, including annual Attestation.

## FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Ali Wastie, on behalf of the Responsible Body, certify that the Falls Creek Resort Management has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**Ali Wastie**  
Board Chair  
5 September 2023



# How the 2022 Financial Statements are Structured

Falls Creek Alpine Resort Management Board (FCARMB) has presented its audited general-purpose financial statements for the financial year ended 30 September 2022 in the following structure to provide users with the information about FCARMB's stewardship of resources entrusted to it.

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# Declaration

## Declaration by the Board Chair, Accountable Officer and Chief Financial Officer

The attached financial statements for Falls Creek Alpine Resort Management Board (FCARMB) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity, and accompanying notes, presents fairly the financial transactions during the year ended 30 September 2022 and financial position of FCARMB at 30 September 2022.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue 5 September 2023.



**ALI WASTIE**  
Board Chair  
Alpine Resorts Victoria  
5 September 2023



**AMBER GARDNER**  
Chief Executive Officer  
Alpine Resorts Victoria  
5 September 2023



**COLIN POLLARD**  
Chief Financial Officer  
Alpine Resorts Victoria  
5 September 2023

# Independent Auditor's Report

## To the Board of the Falls Creek Alpine Resort Management Board

<b>Opinion</b>	<p>I have audited the financial report of the Falls Creek Alpine Resort Management Board (the authority) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 September 2022</li> <li>• comprehensive operating statement for the period then ended</li> <li>• statement of changes in equity for the period then ended</li> <li>• cash flow statement for the period then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration by the Board Chair, Accountable Officer and Chief Financial Officer.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 September 2022 and its financial performance and cash flows for the period then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Other Information</b>	<p>The Board is responsible for the "Other Information" included in the authority's Annual Report for the period ended 30 September 2022. The Other Information in the Annual Report does not include the financial report and my auditor's reports thereon. My opinion on the financial report does not cover the Other Information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon.</p> <p>In connection with my audit of the financial report, my responsibility is to read the Other Information when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a materially misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> <li>• identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</li> <li>• obtain an understanding of internal control relevant to the audit 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 authority's internal control</li> <li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board</li> <li>• conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.</li> <li>• evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.</li> </ul> <p>I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE  
27 September 2023



Paul Martin  
as delegate for the Auditor-General of Victoria

# Comprehensive Operating Statement

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022			
	Notes	2022	2021
		9 months	12 months
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Site rent & service charges	2.1	4,502,702	5,749,742
Visitor fees	2.2	6,178,010	2,450,773
Other income	2.3	1,148,515	1,216,497
Government contributions	2.4	1,809,466	2,947,086
<b>Total income from transactions</b>		<b>13,638,694</b>	<b>12,364,098</b>
<b>Expenses from transactions</b>			
Employee benefits	3.1	3,773,362	4,566,783
Contract payments, materials, services	3.2	3,492,085	3,083,521
Utilities and telecommunications	3.2	444,148	490,441
Depreciation and amortisation	4.2	1,723,515	2,383,026
Interest expenses	6.1.2	99,497	125,516
Marketing and communications	3.2	946,792	592,787
Administration and compliance	3.2	882,045	1,025,016
<b>Total expenses from transactions</b>		<b>11,361,444</b>	<b>12,267,089</b>
<b>Net Result from continuing operations</b>		<b>2,277,250</b>	<b>97,009</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	8.2	-	18,858
Impairment of infrastructure, property, plant & equipment		-	-
Other gain/(loss) from other economic activities	3.1	-378	-185
<b>Total other economic flows included in net result</b>		<b>-378</b>	<b>18,673</b>
<b>Net result</b>		<b>2,276,872</b>	<b>115,682</b>
<b>Other economic flows – other comprehensive income</b>			
Changes in physical asset revaluation surplus		6,707,685	21,646,955
<b>Total other economic flows – other comprehensive income</b>			
<b>Comprehensive result</b>		<b>8,984,557</b>	<b>21,762,637</b>

The accompanying notes form part of these financial statements.

# Balance Sheet

AS AT 30 SEPTEMBER 2022			
	Notes	2022	2021
		9 months	12 months
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.3	9,113,631	4,995,640
Receivables	5.1	2,419,181	2,817,734
<b>Total financial assets</b>		<b>11,532,812</b>	<b>7,813,374</b>
<b>Non-financial assets</b>			
Inventories	5.3	46,073	34,498
Prepayments	5.4	523,228	456,565
Infrastructure, property, plant & equipment	4.1	115,203,586	106,664,435
Intangible assets	4.4	-	-
Right of Use Asset	3.3	2,997,895	3,335,715
<b>Total non-financial assets</b>		<b>118,770,782</b>	<b>110,491,213</b>
<b>Total assets</b>		<b>130,303,594</b>	<b>118,304,587</b>
<b>Liabilities</b>			
Payables	5.2	1,956,036	747,777
Unearned revenue	5.5	6,022,402	3,791,952
Contract Liabilities	5.5	-	25,591
Borrowings	6.1	85,848	236,924
Provisions for employee benefits	3.1.1	918,613	859,310
Lease Liability	3.3	3,101,793	3,408,690
<b>Total liabilities</b>		<b>12,084,692</b>	<b>9,070,243</b>
<b>Net assets</b>		<b>118,218,900</b>	<b>109,234,344</b>
<b>Equity</b>			
Accumulated surplus		7,350,443	5,073,571
Asset revaluation reserve		69,432,169	62,724,484
Contributed capital		41,436,288	41,436,288
<b>Net worth</b>		<b>118,218,900</b>	<b>109,234,343</b>

The accompanying notes form part of these financial statements.

# Cash Flow Statement

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022			
Notes	2022	2021	
	9 months	12 months	
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts in the course of operations	13,946,482	9,100,155	
Receipts from Government	1,809,466	5,310,145	
Receipts of insurance claims	56,965	95,703	
Interest received	36,296	-	
<b>Total Receipts</b>	<b>15,849,209</b>	<b>14,506,003</b>	
<b>Payments</b>			
Payments to suppliers for goods and services	-4,689,378	-5,863,977	
Payments to and on behalf of employees	-3,659,729	-4,694,573	
Interest paid	-4,951	-13,309	
Interest Paid – Lease Liability	-94,546	-112,207	
Goods and Services Tax received/(paid) to the ATO <sup>(1)</sup>	-217,284	-107,361	
<b>Total Payments</b>	<b>-8,665,888</b>	<b>-10,791,427</b>	
<b>Net cash flows from operating activities</b>	<b>7,183,321</b>	<b>3,714,576</b>	<b>6.3.1</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets	-2,816,673	416,628	
Receipts from insurance claims	-	20,224	
Sale of non-financial assets	-	-	
<b>Net cash flows (used in) investing activities</b>	<b>-2,816,673</b>	<b>436,852</b>	
<b>Cash flows from financing activities</b>			
Repayment of borrowings	-151,076	-194,724	
Payment of Lease Liabilities	-97,583	-158,882	
<b>Net cash flows (used in) financing activities</b>	<b>-248,659</b>	<b>-353,606</b>	
<b>Net increase in cash and deposits</b>	<b>4,117,989</b>	<b>3,797,822</b>	
<b>Cash and deposits at beginning of period</b>	<b>4,995,640</b>	<b>1,197,818</b>	
<b>Cash and deposits at end of period</b>	<b>9,113,629</b>	<b>4,995,640</b>	<b>6.3</b>

The accompanying notes form part of these financial statements.

<sup>(1)</sup> Goods and Services Tax paid to the ATO is presented on a net basis.

# Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022				
	ASSET REVALUATION RESERVE	ACCUMULATED SURPLUS	CONTRIBUTED CAPITAL	TOTAL
				\$
<b>Balance as at 31 December 2020</b>	<b>41,077,529</b>	<b>4,957,888</b>	<b>41,436,288</b>	<b>87,471,705</b>
Net result for the period	-	115,682	-	115,682
<b>Other comprehensive income</b>	<b>21,646,955</b>	<b>-</b>	<b>-</b>	<b>21,646,955</b>
Balance as at 31 December 2021	62,724,484	5,073,571	41,436,288	109,234,343
Net result for the period	6,707,685	2,276,872	-	2,276,872
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 September 2022</b>	<b>69,432,169</b>	<b>7,350,443</b>	<b>41,436,288</b>	<b>118,218,900</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## 1. ABOUT THIS REPORT

The Falls Creek Alpine Resort Management Board (the Board) is a statutory authority of the State of Victoria, established under the Alpine Resorts (Management) Act 1997.

A description of the nature of its operations and its principal activities is included in the 'Report of Operations' which does not form part of these financial statements.

The principal address is:

Falls Creek Alpine Resort Management Board  
1 Slalom Street,  
Falls Creek VIC 3699

### Basis of preparation

These financial statements cover the Board as an individual reporting entity. These financial statements have been prepared on a going concern basis. During the 2021 Financial Year the number of Board members reduced to five (5), this continued through the 2022 Financial Year until 30 September 2022 when the entity transitioned to Alpine Resorts Victoria. This change in the Alpine Resort Management Board structure into Alpine Resorts Victoria has not impacted the going concern of the organisation.

These financial statements are in rounded Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Board.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are to be disclosed in the notes under the heading: 'Significant judgement or estimates.'

All amounts in the financial statements have been rounded to the nearest \$1 unless otherwise stated.

### Compliance information

These general-purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable Australian Accounting Standards (AASs) which include interpretations, issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

### 1.1 IMPACT OF THE COVID-19 PANDEMIC

On 16th March 2020 the State Government declared a State of Emergency as a result of COVID-19 global health pandemic. This continues to have a significant impact on the operating and economic environment for the Board which has led to a number of restrictions that have impacted the ability of the Board to trade.

In 2022, Falls Creek was able to open the resort a week earlier than the usual Queen's Birthday long weekend due to early snow fall and have a successful 2022 snow season

Similar to the 2020 and 2021 Financial Years, the State Government announced various grant and relief programs. A rent relief program similar to 2020 was announced covering the period 28 July 2021 to 15 March 2022 with stakeholders applying for this relief directly to the Board, reducing the revenue received by the Board for site rent. No programs were available for a reduction or relief in Service Charges, noting this revenue line was not impacted by the Board.

Similar to the 2020 Financial Year, the Board has also reduced its transactional expenditure, wherever possible to assist in offsetting the loss in revenue, however with the success of the 2022 snow season contracts and events occurred as planned.

The Board has worked closely with the State Government through the responsible minister and the Department of Environment, Land, Water and Planning (DELWP) to maintain adequate financial support during these periods of closure to the public, including the provision of regular and detailed cash

flow forecasts. As a result, DELWP provided an advance of \$914,877 funding throughout 2022 for COVID-19 funding support (see note 2.4).

There are account balances directly affected by the closure of the resort to the public and other account balances affected by COVID-19 due to management's judgements and assumptions about the future and estimation uncertainty. The Board has reviewed the underlying accounting policies and assumptions of all balance sheet and operating statement items in the preparation of these financial statements and has not made any adjustment to those balances or amounts as a result of COVID-19. Further disclosures to reflect the Board's judgements, assumptions and consequential impact of COVID-19 can be found in:

Note 2.1 Site Rent and Service Charges

Note 2.2 Visitor fees

Note 2.4 Government and other grants

Note 3.2 Employee Expenses

Note 3.3 Other Expenses

Note 4.1.1 Depreciation, amortisation and impairment of property, plant and equipment and vehicles

Note 5.1 Receivables

Note 7.3.2 Fair Value Determination

Due to the continuing nature of this event and the material uncertainty that exists it is not possible to quantify the full economic impact of COVID-19 on the operations of the Board of the new entity Alpine Resorts Victoria (ARV). The Board has assessed its financial position in accordance with the impact of COVID-19 on going concern and related assessments as jointly published by the Australian Accounting Standards Board and the Auditing and Assurance Standards Board, and DELWP have committed to providing ongoing cash flow support to meet the new ARV Boards current and future obligations as and when they fall due for a period up to 30 April 2024. On that basis it has been determined that the going concern assumption remains to be the appropriate basis for the preparation of the 2022 annual financial report.

## 1.2 ESTABLISHMENT OF ALPINE RESORTS VICTORIA (ARV) AND ABOLISHMENT OF FALLS CREEK ALPINE RESORT MANAGEMENT BOARD (FCARMB)

The Alpine Resorts Legislation Amendment Act 2022, (the Act) passed by the Victorian Parliament in March 2022, abolished the four Alpine Resorts Management Boards (ARMB's), including FCARMB on 1 October 2022.

The Act established Alpine Resorts Victoria (ARV), a single entity, which commenced as successor in law to the ARMB's on 1 October 2022. ARV will be responsible for managing Falls Creek, Mount Baw Baw, Mount Buller, Mount Hotham, Mount Stirling and Lake Mountain.

It will undertake strategic and sector-wide planning for the common challenges faced by the resorts, including those associated with climate change, and help the sector recover from the pandemic.

The Act transferred all ARMB's assets, powers, works, rights, liabilities and obligations, which also included financial and other reporting obligations to ARV. All employees of the ARMB's transferred to ARV on its commencement date.

In accordance with FRD119 Transfers Through Contributed Capital, the transfer of all assets and liabilities by the ARMB's to the ARV is recognised as a direct adjustment to equity and designated as Distributions to Owners.

ARV will account for the transfer in its financial report as a Contribution by Owners.

The transfer of assets and liabilities occurred on the first day of the financial year, 1 October 2022:

There was no change in the carrying amounts, which are reported at fair value, of assets or liabilities between 30 September 2022 financial reporting date, and 1 October 2022 date of abolishment of the ARMB's.

The carrying amounts of assets and liabilities transferred are disclosed in the FCARMB Balance Sheet for the year ended 30 September 2022 included in this financial report.

### GOING CONCERN

The going concern basis was used to prepare the financial statements as the intent of the legislation is that the substantive functions, rights and obligations of ARMB's will continue under ARV.

Future revenue generated by the resorts is contingent on the snowfall for the year and may be impacted by other factors outside the control of management such as the COVID pandemic and subsequent restrictions.

The Department of Energy, Environment and Climate Change Action (DEECA) has committed to providing ongoing cash flow support to meet the new ARV Board's current and future obligations, as and when they fall due.

The annual financial statements were authorised for issue by ARV – the successor in law to the ARMB's on 1 October 2022.

# Notes to the Financial Statements

## 2. FUNDING DELIVERY OF OUR SERVICES

### Introduction

The overall objective of the Board is to deliver, for our users and stakeholders, an unparalleled and unique world class all seasons Alpine resort, renowned for being Australia's premier leisure, lifestyle and adventure destination.

To enable the Board to fulfil its objective it receives contributions from site holders in accordance with its role as managers of Crown Land. The Board also receives income of visitor fees from the public visiting during the declared Snow

Season. The Board also receives Government funding due to its status as a statutory authority.

Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

Income is recognised when or as the performance obligation has been completed and the customer has received the benefit of the goods or services being provided.

### 2.1 SITE RENT AND SERVICE CHARGES

	2022	2021
	9 months	12 months
	\$	\$
Service charges	3,590,197	4,752,386
Site rental	912,505	997,356
<b>Total</b>	<b>4,502,702</b>	<b>5,749,742</b>

Service charges are imposed on an annual basis, and revenue is recognised on an accrual basis as per AASB 1058 Income for not-for-profit entities. Service charges are calculated on a rate per bed and per square metre of commercial area held within each premise. A bed audit is conducted on a three-year cycle for each premise. Capital ingoings are charged when a site undertakes development that increases the site's capacity. These are once-off charges to cover the infrastructure costs needed to support the additional capacity and are included in the service charges line above. Capital ingoings are recognised when the development occurs.

Site rental is recognised under the terms and conditions of each lease and in accordance with the Board's role as a Committee of Management of any Crown land deemed to be permanently reserved under the Crown Lands Reserve Act 1978. The general terms and conditions for site rental are based on a formal valuation undertaken on a three-year cycle for each site holder. During the years between valuations, site rental increases in line with the CPI released by the Australian Bureau of Statistics. During the 2022 Financial Year, the state government offered a rent relief for commercial tenants with similar Terms & Conditions to the rent relief program held in the 2020 and 2021 Financial Years. This rent relief program covered the period 28 July 2021 – 15 March 2022. Sites were to apply directly to the Board, with the majority of sites taking up this program. The above revenue recognised is net of the rent relief applicable, with total relief provided for the 2022 Financial Year being approximately \$0.5m (2021: \$0.5m).

### 2.2 VISITOR FEES

	2022	2021
	9 months	12 months
	\$	\$
Resort entry fees	6,073,678	2,372,218
Childcare services	104,332	78,555
<b>Total</b>	<b>6,178,010</b>	<b>2,450,773</b>

## 2.3 OTHER INCOME

	2022	2021
	9 months	12 months
Ski patrol contributions	573,385	338,846
Co-operative marketing	154,569	114,527
Interest	36,296	-
Insurance Recovery	56,965	115,927
Property and leasing fees	153,374	134,581
Sponsorships	25,000	25,000
Infringement Income	-	347
Road Clearing	19,190	179,481
Other income	129,736	307,788
<b>Total</b>	<b>1,148,515</b>	<b>1,216,497</b>

Revenue is recognised at the point of sale when services are rendered or when a rate/tariff is fixed for service charges levied under Section 13 of the Alpine Resorts (Management) Act 1997. Infringements are issued to guests who do not pay their visitor fees under the Road Safety Act 1986 and the Road Safety (General) Regulations 2009. Infringement income is located below in note 2.3 Other income. Other income is recognised on an accrual basis. For the 2022 declared snow season there were no COVIDSafe settings applied which saw resort entry demand high and visitation returned throughout the full declared snow season.

### 2.4 GOVERNMENT AND OTHER GRANTS

	2022	2021
	9 months	12 months
Victorian State Government	1,569,718	2,569,853
Commonwealth funding	239,748	360,687
Other funding (private or other government)	-	16,545
<b>Total</b>	<b>1,809,466</b>	<b>2,947,086</b>

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when each performance obligation is satisfied per AASB 15. The performance obligations are varied based on the agreements. Within grant agreements, there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods, being either costs or time incurred, are deemed to be the most appropriate methods to reflect the transfer of benefit.

Any contributions received from the Victorian State Government that are deemed as being in the nature of owner's contributions (appropriations) are accounted for as Equity – Contributed Capital in accordance with Financial Reporting Direction (FRD) 119A Transfers through Contributed Capital. A letter of comfort has been received covering the COVID-19 pandemic where cashflow funding was received from the Victorian State Government to support the Board through this period as a result of lost income from Visitor fees and Site Rental income. These funds had obligations attached, under a letter of comfort and have been recognised under AASB 15.

The above grants received have been assessed as meeting the criteria of AASB 15 as performance obligations are specific to the receipt of funds, under the letter of comfort. The Board has recognised income when it has satisfied its obligations under the transfer (i.e. on an accrual basis).

Any contributions received from the Victorian State Government that are deemed as being in the nature of owner's contributions (appropriations) are accounted for as Equity – Contributed Capital in accordance with Financial Reporting Direction (FRD) 119A Transfers through Contributed Capital. A letter of comfort has been received covering the COVID-19 pandemic where cashflow funding was received from the Victorian State Government to support the Board through this period as a result of lost income from Visitor fees and Site Rental income. These funds had obligations attached, under a letter of comfort and have been recognised under AASB 15.

# Notes to the Financial Statements

## 3. THE COST OF DELIVERING SERVICES

### Introduction

This section provides information on the expenses incurred as part of the delivery of services. In note 2, the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are recorded. Like note 2, this section discusses a number of the items on the comprehensive operating statement under 'expenses from transactions' as well as employee benefits listed in the balance sheet under liabilities, as provisions. Depreciation and amortisation are discussed in note 4 while interest expenses are discussed in note 6.

### 3.1 EMPLOYEE BENEFITS

	2022	2021
	9 months	12 months
	\$	\$
Salaries and wages, annual leave and long service leave	3,455,661	4,190,397
Defined contribution superannuation expense	313,026	369,706
Defined benefit superannuation expense	4,675	6,680
<b>Total</b>	<b>3,773,362</b>	<b>4,566,783</b>

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, superannuation, leave entitlements, payroll tax, redundancy payments and WorkCover premiums.

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employee contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The Department of Treasury and Finance (DTF) in their annual financial statements disclose on behalf of the State as the supporting employer, the net defined benefit cost related to the members of these plans as an administered liability. More detailed disclosures in relation to these plans can be obtained in DTF's Annual Financial Statements.

### 3.1.1 EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2022	2021
	9 months	12 months
	\$	\$
<b>Current provisions</b>		
<b>Annual leave</b>		
Unconditional and expected to be settled within 12 months	176,521	142,142
Unconditional and expected to be settled after 12 months	48,575	55,710
<b>Long service leave</b>		
Unconditional and expected to be settled within 12 months	299,700	244,790
Unconditional and expected to be settled after 12 months	19,474	66,094
<b>Provisions for on-costs</b>		
Unconditional and expected to be settled within 12 months	61,913	47,561
Unconditional and expected to be settled after 12 months	8,962	15,012
<b>Total current provisions for employee benefits</b>	<b>615,145</b>	<b>571,309</b>
<b>Non-current provisions</b>		
Employee benefits	268,708	256,583
Employee benefits on-costs	34,761	31,418
<b>Total non-current provisions</b>	<b>303,468</b>	<b>288,001</b>
<b>Total provisions for employee benefits</b>	<b>918,613</b>	<b>859,310</b>

Employee benefits consist of salaries & wages, annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision. All amounts are measured at present values.

No provision has been made for sick leave as all sick leave is non-vesting and is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

### Reconciliation of movement in on-cost provision

	2022	2021
	9 months	12 months
	\$	\$
<b>Opening balance</b>	<b>93,991</b>	<b>93,898</b>
Additional provisions recognised	42,411	60,550
Reductions arising from payments	-30,388	-60,271
Effect of change in discount rates	-378	-185
<b>Closing balance</b>	<b>105,636</b>	<b>93,991</b>
Current	70,875	62,573
Non-current	34,761	31,418
<b>Total</b>	<b>105,636</b>	<b>93,991</b>

# Notes to the Financial Statements

## 3.1.2 SUPERANNUATION CONTRIBUTIONS

	PAID CONTRIBUTION FOR THE YEAR		CONTRIBUTION OUTSTANDING AT YEAR END	
	2022	2021	2022	2021
	9 months	12 months\$	9 months	12 months\$
	\$	\$	\$	\$
<b>Defined benefits plan (i):</b>				
ESS super	7,437	10,130	247	504
<b>Defined contribution plans:</b>				
Vic super	61,103	82,778	35,724	21,065
Other	225,945	312,186	116,842	76,915
<b>Total</b>	<b>294,485</b>	<b>405,094</b>	<b>152,813</b>	<b>98,483</b>

Note: (i) The basis for determining the level of contributions is determined by the actuary of the defined benefit superannuation plan.

Employees of the Board are entitled to receive superannuation benefits and the Board contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

As noted before, the defined benefit liability is recognised in DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Board.

## 3.2 EXPENSES FROM TRANSACTIONS OTHER THAN EMPLOYEE BENEFITS

The Board incurs many transactions to deliver its services. Costs incurred are recognised when goods are received or when services are provided. From the Comprehensive Operating Statement, the main areas of transactions are further defined below.

Contract payments, materials and services costs relate to those costs incurred with maintaining the infrastructure of the resort, such as transport facilities for guests during the declared snow season, waste services, sewerage and water supply, snow clearing, public shelters, equipment, etc. Many of these costs are bound by contracts held within commitments payable (see Note 6.4).

Administration and compliance refer to the costs incurred by the Board for items that are covered by Ministerial Directions such as ARCC contributions; insurance; and other expenses relating to general office consumables.

Marketing and communications costs are those related to sustaining and growing visitation during the declared snow season and (as per Ministerial Direction) the promotion and growing visitation at other times of the year (green season). They also relate to collaboration and engagement with stakeholders to create a seamless visitor experience in a manner that is considerate of stakeholder business viability and sustainability.

Utilities and telecommunications costs are those related to electricity and gas supply to assets owned by the Board and public buildings as well as the costs associated with all telecommunications required for the operation of services provided by the Board.

The letter of comfort specified that costs were to be reduced to essential spend only from April 2020 continued through 2021 and 2022. Given the re-opening of the resort and reduction of the COVIDSafe Settings over the 2022 Financial Year, contracts continued, events could be held and consumables were required.

## 3.2 EXPENSES FROM TRANSACTIONS OTHER THAN EMPLOYEE BENEFITS

	2022	2021
	9 months	12 months\$
	\$	\$
<b>Contract payments, materials, services</b>		
Contractors (cleaning, transport and general)	1,916,168	1,506,426
Waste Services	47,253	538,868
Consumables	301,530	281,899
Consultants	135,613	190,146
Other contract payments, materials, services	1,091,521	566,182
<b>Total contract payments, materials, services</b>	<b>3,492,085</b>	<b>3,083,521</b>
<b>Administration and compliance</b>		
ARCC Contributions	101,886	115,135
Insurance	407,206	464,143
Other administration and compliance	372,953	445,738
<b>Total administration and compliance</b>	<b>882,045</b>	<b>1,025,016</b>
<b>Total marketing &amp; communications costs</b>	<b>946,792</b>	<b>592,787</b>
<b>Total utilities &amp; telecommunications costs</b>	<b>444,148</b>	<b>490,441</b>



# Notes to the Financial Statements

## 3.3 LEASES

The Board has applied AASB 16 using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 January 2019, with no restatement of comparative information.

### 3.3.1 As a lessee

The Board recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

any lease payments made at or before the commencement date; plus

any initial direct costs incurred; and

an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate as provided by Treasury Corporation of Victoria (TCV). Generally, the Board uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the Board is reasonably certain to exercise, lease payments in an optional renewal period if the Board is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Board is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Board's estimate of the amount expected to be payable under a residual value guarantee, or if the Board changes its assessment of whether it will exercise a purchase, extension or termination option. From 1 January 2021 the lease payments related to Property was remeasured to reflect the increase in lease payments by the lessor as a result of a rent review. From 1 February 2021 the lease liability related to Vehicles was remeasured to reflect the decrease in lease payments by the lessor as a result of usage decrease.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### 3.3.2 RIGHT OF USE ASSETS

	Property	Vehicles	Other, etc	Total
	\$	\$	\$	\$
Balance at 1 January 2022	2,964,794	364,341	6,580	3,335,715
Remeasurement	-265,257	53,643	13,288	-198,326
Additions	-	-	-	-
Amortisation Charge	-9,341	-127,882	-2,270	-139,493
<b>Balance at 30 September 2022</b>	<b>2,690,196</b>	<b>290,102</b>	<b>17,598</b>	<b>2,997,896</b>
Balance at 1 January 2021	1,745,682	501,206	19,741	2,266,629
Remeasurement	1,269,991	-8,983	-	1,261,008
Additions	-	-	-	-
Amortisation Charge	-50,879	-127,882	-13,161	-191,922
<b>Balance at 31 December 2021</b>	<b>2,964,794</b>	<b>364,341</b>	<b>6,580</b>	<b>3,335,715</b>

### 3.3.3 LEASE LIABILITIES<sup>(i)</sup>

	2022
	9 months
Nominal value of total lease commitments	\$
Less than one year	216,764
One to five years	795,965
More than five years	5,721,129
<b>Total undiscounted lease liabilities as at 30 September 2022</b>	<b>6,733,858</b>
Lease liabilities included in the Statement of Financial Position at 30 September 2022	
Current	99,178
Non-current	3,002,076
<b>Present value of minimum lease payments</b>	<b>3,101,254</b>
	2021
	\$
Nominal value of total lease commitments	
Less than one year	253,116
One to five years	871,358
More than five years	6,264,703
<b>Total undiscounted lease liabilities as at 31 December 2021</b>	<b>7,389,177</b>
Lease liabilities included in the Statement of Financial Position at 31 December 2021	
Current	109,099
Non-current	3,299,591
<b>Present value of minimum lease payments</b>	<b>3,408,690</b>

Notes: (i) All lease liabilities relate to a Right of Use asset.

Please refer to note 3.3 for amounts recognised in the Comprehensive Operating Statement relating to leases.

#### Short-term and low value leases

The Board has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than \$10,000), including IT equipment. The Board recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# Notes to the Financial Statements

## 4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

### Introduction

The Board controls infrastructure and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Board to be utilised for delivery of those activities.

### Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in note 7.3 in connection with how those fair values were determined.

## 4.1 TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION		NET CARRYING AMOUNT	
	2022	2021	2022	2021	2022	2021
	9 months	12 months	9 months	12 months	9 months	12 months
	\$	\$	\$	\$	\$	\$
Land at fair value	51,375,985	44,668,300	-	-	51,375,985	44,668,300
Buildings at fair value	11,974,466	11,040,438	-356,281	-1,414	11,618,185	11,039,023
Infrastructure systems at fair value	20,426,454	20,426,454	-529,368	-3,875	19,897,086	20,422,581
Roads at fair value	28,052,338	27,707,386	-463,901	-39,334	27,588,437	27,668,051
Plant, equipment and vehicles at fair value	6,732,591	6,275,819	-5,055,437	-4,764,974	1,677,154	1,510,844
Capital works in progress	3,046,739	1,355,636	-	-	3,046,739	1,355,636
<b>Total</b>	<b>121,608,573</b>	<b>111,474,033</b>	<b>-6,404,987</b>	<b>-4,809,597</b>	<b>115,203,586</b>	<b>106,664,435</b>

**Initial recognition:** Items of property, plant and equipment, are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. The capitalisation threshold is \$1,000.

**Subsequent measurement:** Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined regarding the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category. During the 2021 Financial Year, all asset categories besides plant, equipment and vehicles were revalued by the Valuer-General Victoria to their fair value.

Note 7.3 includes additional information in connection with fair value determination of infrastructure, property, plant and equipment.

### Right-of-use asset acquired by lessees (Under AASB 16 Leases from 1 January 2019) – Initial measurement

- The Department recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:
  - any lease payments made at or before the commencement date less any lease incentive received; plus
  - any initial direct costs incurred; and
  - an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

### Right-of-use asset – Subsequent measurement

The Board depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation. [AASB 16.32 and AASB 16.35]

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

## 4.2 DEPRECIATION AND AMORTISATION – CHARGE FOR THE PERIOD

	2022	2021
	9 months	12 months
	\$	\$
Buildings at fair value	354,866	403,240
Infrastructure systems at fair value	525,493	555,416
Roads at fair value	424,566	784,176
Plant, equipment and vehicles at fair value	290,463	444,272
Intangible assets	-	4,000
Depreciation on Right of Use Assets	128,127	191,923
<b>Total depreciation and amortisation</b>	<b>1,723,515</b>	<b>2,383,026</b>

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under operating leases, assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

ASSET	USEFUL LIFE: YEARS
Buildings	10 to 60
Infrastructure	10 to 150
Plant, equipment and vehicles (incl. leased assets)	3 to 10
Roads	10 to 150
• Formation	150
• Pavement	80
• Seals	10 to 40

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

**Impairment:** Non-financial assets, including items of infrastructure, property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Department obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Indefinite life assets: Land, earthworks, land under declared roads, and core cultural assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

# Notes to the Financial Statements

## COVID-19

Given the nature of the Board's land, property, plant and equipment and the purposes for which they are used, the Board does not consider that there is any impairment of the carrying value of these assets as a result of COVID-19. Leased land is valued on the discounted cashflow method, with changes recorded as required. There has been no impact from COVID-19 on these valuations.

## 4.3 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNTS OF PROPERTY, PLANT AND EQUIPMENT

### Movements in carrying amounts

2022	LAND AT FAIR VALUE	BUILDINGS AT FAIR VALUE	INFRASTRUCTURE AT FAIR VALUE	PLANT, EQUIPMENT & VEHICLES AT FAIR VALUE	ROADS AT FAIR VALUE	CAPITAL WORKS IN PROGRESS AT FAIR VALUE	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Opening balance	44,668,300	11,039,023	20,422,581	1,510,844	27,668,051	1,355,636	106,664,435
Additions	-	-	-	-	-	3,426,855	3,426,855
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfers	-	934,028	-	456,772	344,952	-1,735,752	-
Revaluation of PPE	6,707,685	-	-	-	-	-	6,707,685
Depreciation	-	-354,866	-525,493	-290,463	-424,566	-	-1,595,388
<b>Closing balance</b>	<b>51,375,985</b>	<b>11,618,185</b>	<b>19,897,088</b>	<b>1,677,153</b>	<b>27,588,437</b>	<b>3,046,739</b>	<b>115,203,587</b>

2021	LAND AT FAIR VALUE	BUILDINGS AT FAIR VALUE	INFRASTRUCTURE AT FAIR VALUE	PLANT, EQUIPMENT AND VEHICLES AT FAIR VALUE	ROADS AT FAIR VALUE	CAPITAL WORKS IN PROGRESS AT FAIR VALUE	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Opening balance	39,403,800	10,836,902	20,470,074	1,629,598	12,116,145	1,564,825	86,021,344
Additions	-	-	-	-	-	1,183,241	1,183,241
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfers	-	80,010	116,338	325,518	870,564	-1,392,430	-
Revaluation of PPE	5,264,500	525,351	620,345	-	15,236,758	-	21,646,954
Depreciation	-	-403,240	-784,176	-444,272	-555,416	-	-2,187,104
<b>Closing Balance</b>	<b>44,668,300</b>	<b>11,039,023</b>	<b>20,422,581</b>	<b>1,510,844</b>	<b>27,668,051</b>	<b>1,355,636</b>	<b>106,664,435</b>

## 4.4 INTANGIBLE ASSETS

	2022	2021
	9 months	12 months
	\$	\$
Gross carrying amount		
Opening balance	-	4,000
Additions	-	-
Amortisation of intangible assets	-	-4,000
<b>Closing balance</b>	<b>-</b>	<b>-</b>

The consumption of intangible assets is included in the 'depreciation and amortisation' line item on the Comprehensive Operating Statement and in note 4.2.



# Notes to the Financial Statements

## 5. OTHER ASSETS AND LIABILITIES

### Introduction

This section sets out those assets and liabilities that arose from the Board's operations.

### 5.1 RECEIVABLES

	2022		2021	
	9 months	12 months	9 months	12 months
	\$	\$		
<b>Current receivables</b>				
<b>Contractual</b>				
Sale of goods and services	1,434,176	1,744,813		
Expected credit loss allowance	-	-		
Accrued Revenue	598,918	904,120		
<b>Statutory</b>				
GST input tax credit recoverable	386,086	168,802		
<b>Total receivables</b>	<b>2,419,181</b>	<b>2,817,734</b>		
Represented by:				
Current receivables	2,419,181	2,817,734		
Non-current receivables	-	-		
<b>Contractual receivables outstanding written off during the reporting period and still subject to enforceable activity</b>	<b>-</b>	<b>-</b>		

**Contractual receivables** are classified as financial instruments and categorised as 'loans and receivables.' They are initially recognised at fair value plus any directly attributable transaction costs. After initial measurement they are measured at amortised cost using the effective interest method, less any impairment. Accrued revenue includes amounts of Site Rent & Service Charges paid for future periods, and recognised as revenue per month.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments.

The Board applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Details about the Board's impairment policies, the Board's exposure to credit risk and the calculation of the loss allowance are set out in Note 8.1.3.

### Movement in the provision for doubtful debts

	2022		2021	
	9 months	12 months	9 months	12 months
	\$	\$		
<b>Balance at beginning of the year</b>	-	-109		
Transfer in	-	109		
Increase in provision recognised in the net result	-	-		
Increase in provision recognised in net result – Contractual receivables	-	-		
<b>Balance at end of the year</b>	<b>-</b>	<b>-</b>		

The Board applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for contractual receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2022 and the corresponding historical credit losses experienced within this period excluding extraordinary items. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No adjustment has been made to increase the provision recognised in the net result for the 2022 year due to the mitigating factors in place. The debts are bound by lease agreements which include lease default mechanisms which are yet to be exercised due to the relief programs in place. The rent relief program (see note 2.1) and subsequent Alpine Support Grants administered by the Department of Jobs, Precincts and Regions (DJPR) have assisted siteholders in paying their debts. The Board passed a Coronavirus Financial Hardship policy during 2020 that allows siteholders to enter into payment plans for site rent and service charges with this policy continuing through the 2022 Financial Year.

No loss allowance is recognised for statutory receivables because there is minimal risk of default. No loss allowance is recognised for statutory receivables because there is minimal risk of default.

### 5.1.1 AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES

	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED			
			LESS THAN 1 MONTH	1 – 3 MONTHS	3 MONTHS – 1 YEAR	1 – 5 YEARS
	\$	\$	\$	\$	\$	\$
<b>2022</b>						
Sale of goods and services	1,434,176	216,622	305,670	189,927	355,148	366,809
Accrued revenue	598,918	598,918	-	-	-	-
<b>Total</b>	<b>2,033,094</b>	<b>815,540</b>	<b>305,670</b>	<b>189,927</b>	<b>355,148</b>	<b>366,809</b>
<b>2021</b>						
Sale of goods and services	1,744,813	16,590	379,720	374,583	416,810	557,109
Accrued revenue	904,120	904,120	-	-	-	-
<b>Total</b>	<b>2,648,933</b>	<b>920,710</b>	<b>379,720</b>	<b>374,583</b>	<b>416,810</b>	<b>557,109</b>

No interest is charged for the first 30 days from the invoice date. Under the Penalty Interest Rate Act 1983, interest can be charged at 10% on the outstanding balance for site rent and service charges. Any other kind of receivable does not incur interest, it incurs a late fee of \$15 per month after the first 30 days. Site rent and service charges have credit periods of 30 days, most other receivables sales of goods / services have a credit period of 14 days. There are no material financial assets that are individually determined to be impaired.

Currently the Board does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

# Notes to the Financial Statements

## 5.2 PAYABLES

	2022		2021	
	9 months	12 months		
	\$	\$		
<b>Current Payables:</b>				
<b>Contractual</b>				
Supplies and services	854,626	212,877		
Superannuation payable	152,813	98,483		
Other payables	234,021	170,842		
<b>Statutory</b>				
GST payable	488,879	197,899		
Other taxes payable	225,697	67,676		
<b>Total payables</b>	<b>1,956,036</b>	<b>747,777</b>		
Represented by:				
Current payables	1,926,036	717,777		
Non-current payables	30,000	30,000		

Payables consist of:

– **contractual payables** classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Board prior to the end of the financial year that are unpaid; and

– **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on the 'other payables' for the first 30 days from the date of the invoice. Thereafter, interest is calculated as 2% on the outstanding balance per annum.

The terms and conditions of amounts payable to the government and agencies vary according to the agreements and as they are not legislative payables, they are not classified as financial instruments.

## 5.2.1 MATURITY ANALYSIS OF CONTRACTUAL PAYABLES

	CARRYING NOMINAL AMOUNT		MATURITY DATES			
			LESS THAN 1 MONTH	1 – 3 MONTHS	3 MONTHS – 1 YEAR	1 – 5 YEARS
			\$	\$	\$	\$
<b>2022</b>						
Supplies and services	854,626	854,626	752,737	71,889	-	30,000 (i)
Superannuation payable	152,813	152,813	152,813	-	-	-
Other payables & accruals	234,021	234,021	234,021	-	-	-
<b>Total</b>	<b>1,241,460</b>	<b>1,241,460</b>	<b>1,139,571</b>	<b>71,889</b>	<b>-</b>	<b>30,000</b>
<b>2021</b>						
Supplies and services	212,877	197,860	177,047	5,830	-	30,000 (i)
Superannuation payable	98,483	98,483	98,483	-	-	-
Other payables & accruals	170,842	91,509	71,913	19,596	-	-
<b>Total</b>	<b>482,202</b>	<b>387,852</b>	<b>347,443</b>	<b>25,426</b>	<b>-</b>	<b>30,000</b>

Notes:

i. This relates to an amount retained in case of early cancellation of a contract due to expire with the amount repaid in May 2024, after taking up the contract extension option.

Maturity analysis is presented using the contractual undiscounted cash flows.

## 5.3 INVENTORIES

	2022		2021	
	9 months	12 months		
	\$	\$		
<b>Current inventories</b>				
Diesel at cost	36,572	27,905		
Unleaded petrol at cost	9,500	6,593		
<b>Total inventories</b>	<b>46,072</b>	<b>34,498</b>		

Inventories include goods held for distribution at nominal cost and are measured at the lower of cost and net realisable value, adjusted for any loss of service potential. While fuel is held primarily for the use of the Board, it can be distributed to stakeholders under agreement.

# Notes to the Financial Statements

## 5.4 PREPAYMENTS

	2022		2021	
	9 months	12 months	9 months	12 months
	\$		\$	
<b>Current other assets</b>				
Prepayments	523,228	456,565		
<b>Total other assets</b>	<b>523,228</b>	<b>456,565</b>		

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## 5.5 CONTRACT LIABILITIES

	2022		2021	
	9 months	12 months	9 months	12 months
	\$		\$	
<b>Current other liabilities</b>				
Unearned revenue	612,220	91,952		
Grants received in advance	5,410,182	3,700,000		
Contract Liabilities	-	25,591		
<b>Total unearned revenue</b>	<b>6,022,402</b>	<b>3,817,543</b>		

Unearned revenue includes funds received in advance of the Board delivering that service or that part of income received made in one accounting period covering a term extending beyond that period. The grants received in advance are for capital projects and recognised under AASB 1058.

Contract Liabilities above relate to transactions where the Board still has an obligation to transfer goods or services to a customer for which the revenue has already been received and is recognised under AASB 15.

## 6. HOW WE FINANCED OUR OPERATIONS

### Introduction

This section provides information on the sources of finance utilised by the Board during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Board.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

### 6.1 BORROWINGS

	2022		2021	
	9 months	12 months	9 months	12 months
	\$		\$	
<b>Current borrowings</b>				
Loan from TCV <sup>(i)</sup>	85,848	202,418		
<b>Total current borrowings</b>	<b>85,848</b>	<b>202,418</b>		
<b>Non current borrowings</b>				
Loan from TCV <sup>(i)</sup>	-	34,506		
<b>Total non current borrowings</b>	<b>-</b>	<b>34,506</b>		
<b>Total borrowings</b>	<b>85,848</b>	<b>236,924</b>		

Note: (i) Unsecured credit foncier loan drawn down in February 2013 for a term of 10 years at a fixed interest rate of 3.9%

Borrowings refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria (TCV).

Borrowings are classified as financial instruments. All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis after initial recognition depends on whether the Board has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest-bearing liabilities. The Board determines the classification of its interest-bearing liabilities at initial recognition.

Defaults and breaches: During the current and prior year, there were no defaults and breaches on the loan held. No relief or restructure was undertaken on this loan as a result of COVID-19.

#### 6.1.1 MATURITY ANALYSIS OF BORROWINGS

	CARRYING AMOUNT	NOMINAL AMOUNT	MATURITY DATES			
			LESS THAN 1 MONTH	1 – 3 MONTHS	3 MONTHS – 1 YEAR	1 – 5 YEARS
	\$	\$	\$	\$	\$	\$
<b>2022</b>						
Loan from TCV	85,848	85,848	17,059	34,283	34,506	-
<b>Total</b>	<b>85,848</b>	<b>85,848</b>	<b>17,059</b>	<b>34,283</b>	<b>34,506</b>	<b>-</b>
<b>2021</b>						
Loan from TCV	236,924	236,924	16,570	33,302	152,546	34,506
<b>Total</b>	<b>236,924</b>	<b>236,924</b>	<b>16,570</b>	<b>33,302</b>	<b>152,546</b>	<b>34,506</b>

# Notes to the Financial Statements

## 6.1.2 INTEREST EXPENSE

	2022		2021	
	9 months	12 months	9 months	12 months
	\$	\$		
Interest on TCV Loan	4,951	13,309		
Interest on Lease Liability	94,546	112,207		
<b>Total interest expense</b>	<b>99,497</b>	<b>125,516</b>		

Interest expense includes costs incurred in connection with the borrowing of funds and includes interest on short-term and long-term borrowings. Interest expense is recognised in the period in which it is incurred. With the application of AASB 16 in 2019, interest on lease liabilities is also shown and recognised in the period it is incurred.

## 6.2 REVENUE COMMITMENTS

	LESS THAN	BETWEEN	OVER	TOTAL
	1 YEAR	1 AND 5 YEARS	5 YEARS	
	\$	\$	\$	\$
<b>2022</b>				
Non-cancellable revenue commitments	1,424,854	5,154,307	27,054,088	33,633,249
<b>Total</b>	<b>1,424,854</b>	<b>5,154,307</b>	<b>27,054,088</b>	<b>33,633,249</b>
<b>2021</b>				
Non-cancellable revenue commitments	1,418,380	5,090,462	27,463,554	33,972,396
<b>Total</b>	<b>1,418,380</b>	<b>5,090,462</b>	<b>27,463,554</b>	<b>33,972,396</b>

Crown land is recorded in the accounts of the Board. The Board has brought to account the rental revenue in relation to the leased sites and does not account for depreciation since the class of asset is defined as land. No adjustments have been made for CPI to these amounts. The Board, acting as a Committee of Management under section 38 of the Alpine Resorts (Management) Act 1997, manages 100 Crown lease arrangements with site holders. The lease arrangements cover a variety of lease periods.

## 6.3 CASH FLOW INFORMATION AND BALANCES

	2022		2021	
	9 months	12 months	9 months	12 months
	\$	\$		
Cash at bank	9,046,109	4,983,502		
Cash on hand	67,522	12,138		
Term deposit	-	-		
<b>Balance as per cash flow statement</b>	<b>9,113,631</b>	<b>4,995,640</b>		

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

## 6.3.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	2022		2021	
	9 months	12 months	9 months	12 months
	\$	\$		
<b>Net result for the period</b>	<b>2,276,872</b>	<b>115,682</b>		
<b>Non-cash movements:</b>				
Depreciation and amortisation of noncurrent assets	1,723,515	2,383,026		
(Gain)/loss on disposal of non-current assets	378	-18,673		
<b>Movements in assets and liabilities:</b>				
(Increase)/decrease in receivables	398,555	-83,133		
(Increase)/decrease in inventories	-11,575	-2,775		
(Increase)/decrease in prepayments	-66,663	-65,025		
Increase/(decrease) in payables	1,208,259	3,840		
Increase/(decrease) in unearned revenue & contract liabilities	1,594,677	1,370,880		
Increase/(decrease) in provisions	59,303	-31,902		
(Increase)/decrease in contract assets	-	-1,069,086		
Increase/(decrease) in contract liabilities	-	1,111,742		
<b>Net cash flows from/(used in) operating activities</b>	<b>7,183,321</b>	<b>3,714,576</b>		

## 6.4 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

# Notes to the Financial Statements

## 6.4.1 TOTAL COMMITMENTS PAYABLE

### NOMINAL AMOUNTS: 2022

	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
	\$	\$	\$	\$
Capital expenditure commitments payable	557,110	-	-	557,110
Operating lease commitments payable <sup>(i)</sup>	-	-	-	-
Other commitments payable <sup>(ii)</sup>	1,678,511	-	-	1,678,511
<b>Total commitments (inclusive of GST)</b>	<b>2,235,621</b>	<b>-</b>	<b>-</b>	<b>2,235,621</b>
Less GST recoverable from the Australian Tax Office				-203,238
<b>Total commitments (exclusive of GST)</b>				<b>2,032,383</b>

### NOMINAL AMOUNTS: 2021

	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
	\$	\$	\$	\$
Capital expenditure commitments payable	1,291,383	-	-	1,291,383
Operating lease commitments payable <sup>(i)</sup>	6,756	-	-	6,756
Other commitments payable <sup>(ii)</sup>	1,321,765	1,054,516	-	2,376,281
<b>Total commitments (inclusive of GST)</b>	<b>2,619,904</b>	<b>1,054,516</b>	<b>-</b>	<b>3,674,420</b>
Less GST recoverable from the Australian Tax Office				-334,038
<b>Total commitments (exclusive of GST)</b>				<b>3,340,382</b>

Notes: (i) Subleases in relation to occupancy of the boardroom, childcare, gymnasium, public amenities and visitors' information hub within the St Falls development are now included within Note 3.3 Leases as these are covered under AASB 16.

(ii) Service contracts for Transport, Waste and Cleaning Services, event sponsorships, parking infringements processing, software licencing and land release and development expressions of interest.

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Board's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

### Categories of financial asset under AASB 9

- Financial assets at amortised cost
- Financial assets at fair value

### The Board has classified all financial assets as 'Financial assets at amortised cost' under AASB 9

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Board recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);

### Categories of financial liabilities under AASB 9

- Financial liabilities at amortised cost
- Financial liabilities at fair value

### The Board has classified all financial liabilities as 'financial liabilities at amortised cost'

Financial liabilities at amortised cost are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference in initial recognition and redemption value being recognised in the net result over the period of the interest bearing liability using the effective interest rate method. The Board recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings



# Notes to the Financial Statements

## 7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

	FINANCIAL ASSETS AT AMORTISED COST	CONTRACTUAL FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
	\$	\$	\$
<b>2022</b>			
<b>Financial assets at amortised cost</b>			
Cash and deposits	9,113,631	-	9,113,631
<b>Receivables <sup>(i)</sup></b>			
Sale of goods and services	1,434,176	-	1,434,176
Accrued revenue	598,918	-	598,918
<b>Total financial assets at amortised cost</b>	<b>11,146,725</b>	<b>-</b>	<b>11,146,725</b>
<b>Financial liabilities at amortised cost</b>			
<b>Payables <sup>(i)</sup></b>			
Supplies and services	-	854,626	854,626
Superannuation payable	-	154,813	154,813
Other payables	-	234,021	234,021
<b>Borrowings</b>			
Loans from TCV	-	85,848	85,848
<b>Total financial liabilities at amortised cost</b>	<b>-</b>	<b>1,329,307</b>	<b>1,329,307</b>

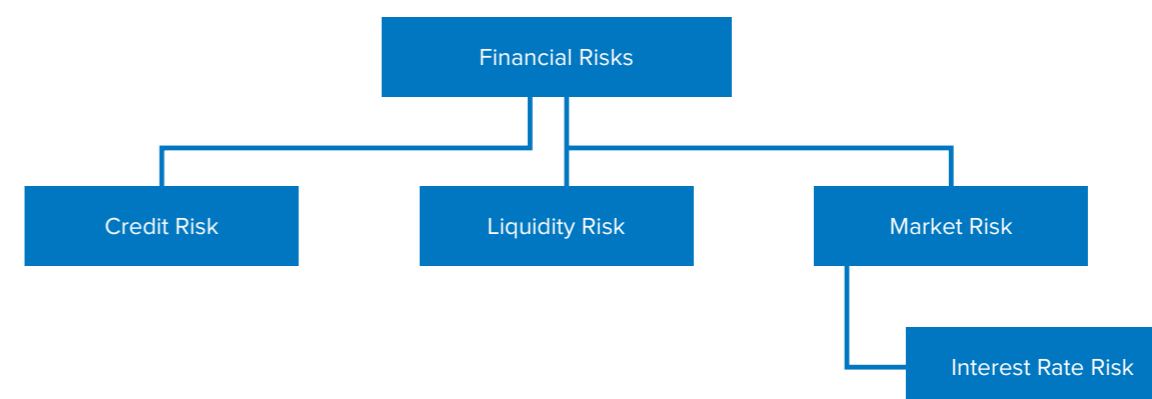
Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable and taxes payable).

	FINANCIAL ASSETS AT AMORTISED COST	CONTRACTUAL FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
	\$	\$	\$
<b>2021</b>			
<b>Financial assets at amortised cost</b>			
Cash and deposits	4,995,640	-	4,995,640
<b>Receivables <sup>(i)</sup></b>			
Sale of goods and services	1,701,351	-	1,701,351
Accrued Revenue	495,072	-	495,072
<b>Total financial assets at amortised cost</b>	<b>7,192,063</b>	<b>-</b>	<b>7,192,063</b>
<b>Financial liabilities at amortised cost</b>			
<b>Payables <sup>(i)</sup></b>			
Supplies and services	-	197,860	197,860
Superannuation payable	-	98,483	98,483
Other payables	-	91,509	91,509
<b>Borrowings</b>			
Loans from TCV	-	236,924	236,924
<b>Total financial liabilities at amortised cost</b>	<b>-</b>	<b>624,777</b>	<b>624,777</b>

Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable and taxes payable).

## 7.1.2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board is exposed to many financial risks, including:



As a whole, the Board's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.2.

The main purpose in holding financial instruments is to prudentially manage the Board's financial risks within the government policy parameters.

The Board uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Finance, Risk and Audit Committee of the Board.

### 7.1.2.1 FINANCIAL INSTRUMENTS: CREDIT RISK

Credit risk refers to the possibility that a site holder will default on its financial obligations as and when they fall due. The Board's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Board. Credit risk is measured at fair value and is monitored on a regular basis. The Board makes every attempt to communicate with site holders regarding any overdue financial obligations. As discussed in note 5.1, interest is not charged on the first 30 days after the invoice date. Board policies are in place to ensure that sufficient communication is undertaken with site holders via various methods and communicated back to management in a timely manner. Any payment plans entered into are discussed with the Chief Financial Officer and Chief Executive Officer and placed in writing.

In addition, the Board does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. The Board's

policy is to only deal with banks with high credit ratings.

Provision of doubtful debts for contractual financial assets is recognised when there is objective evidence that the Board will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, and debts which are more than 90 days overdue. Outstanding's debts in 2022 have entered into payment plans under the Coronavirus Financial Hardship policy. The Board has deemed that these measures do not declare the debts greater than 90 days as uncollectable. This will be monitored throughout 2022.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Board's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the Board's credit risk profile in 2021.

# Notes to the Financial Statements

## Credit quality of contractual financial assets that are neither past due nor impaired <sup>(i)</sup>

	FINANCIAL INSTITUTIONS	GOVERNMENT AGENCIES	OTHER	TOTAL
	\$	\$	\$	\$
<b>2022</b>				
Cash and deposits	9,046,109	-	67,522	9,113,631
Receivables <sup>(i)</sup>			1,434,176	1,434,176
Accrued revenue			25,533	25,533
<b>Total contractual financial assets</b>				
<b>2021</b>				
Cash and deposits	4,983,502	-	12,138	4,995,640
Receivables <sup>(i)</sup>	-	7,172	1,737,641	1,744,813
Accrued revenue	-	-	904,120	904,120
<b>Total contractual financial assets</b>	<b>4,983,502</b>	<b>7,172</b>	<b>2,653,899</b>	<b>7,644,573</b>

Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

### 7.1.2.2 FINANCIAL INSTRUMENTS: LIQUIDITY RISK

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Board operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution. These obligations have not changed under the current Coronavirus environment.

The Board is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The Board manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The Board's exposure to liquidity risk has decreased from prior period's data and current assessment of risk. Rigid financial management systems including cashflow analysis and control have improved both cashflow and liquidity integrity of the Board. Under COVID-19, the Board received a letter of comfort to continue as a going concern from DELWP which included cashflow funding. The cashflow funding received in 2020 was subject to criteria, including reducing spend to essential spend. This has mitigated the Board's liquidity risk. Further information about this impact is detailed below in note 7.2 Contingent assets and contingent liabilities.

The carrying amount detailed in the table at 5.2.1 of contractual financial liabilities recorded in the financial statements represents the Board's maximum exposure to liquidity risk.

### 7.1.2.3 FINANCIAL INSTRUMENTS: MARKET RISK

The Board's exposures to market risk are primarily through

interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

#### Sensitivity disclosure analysis and assumptions

The Board's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The Board's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. A movement of 100 basis points up and down in market interest rates is 'reasonably possible' over the next 12 months. The following table shows the impact on the Board's net result and equity for each category of financial instrument held by the Board at the end of the reporting period as presented to key management personnel, if the above movement were to occur.

#### Interest rate risk

The Board does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rates.

The Board manages this risk by mainly undertaking fixed rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rates. Management has concluded for cash at bank, as financial assets that can be left at floating rates without necessarily exposing the Board to significant bad risk, management monitors movement in interest rates daily.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and interest rate risk are set out in the table that follows.

Interest rate risk sensitivity is conducted on plus and minus 100 basis points and the impact of this on the net result. For the 2021 year, this would have a positive or negative impact on the net result of \$49,956 (2020: \$11,978)

## 7.1.2.3 FINANCIAL INSTRUMENTS: MARKET RISK (CONTINUED)

### INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

2022	WEIGHTED AVERAGE INTEREST RATE %	CARRYING AMOUNT	FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON-INTEREST BEARING
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	0.76%	9,113,631	-	9,046,109	67,522
Receivables (i)					
Sale of goods and services		1,434,176	-	-	1,434,176
Accrued revenue		598,918	-	-	25,533
<b>Total financial assets</b>		<b>11,146,725</b>	<b>-</b>	<b>9,046,109</b>	<b>1,527,231</b>
<b>Financial liabilities</b>					
Payables (i)					
Supplies and services		854,626	-	-	854,626
Superannuation payable		152,813	-	-	152,813
Other payables		234,021	-	-	234,021
Unearned revenue		6,022,402	-	-	6,022,402
Contract Liabilities		-	-	-	-
Borrowings					
Loan from TCV	3.9%	85,848	85,848	-	-
<b>Total financial liabilities</b>		<b>7,349,710</b>	<b>85,848</b>	<b>-</b>	<b>7,263,862</b>

2021	WEIGHTED AVERAGE INTEREST RATE %	CARRYING AMOUNT	FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON-INTEREST BEARING
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	0.25%	4,995,640	-	4,983,502	12,138
Receivables (i)					
Sale of goods and services		1,744,813	-	-	1,744,813
Accrued revenue		904,120	-	-	904,120
<b>Total financial assets</b>		<b>7,644,573</b>	<b>-</b>	<b>4,983,502</b>	<b>2,661,071</b>
<b>Financial liabilities</b>					
Payables (i)					
Supplies and services		212,877	-	-	212,877
Superannuation payable		98,483	-	-	98,483
Other payables		170,842	-	-	170,842
Unearned revenue		3,791,952	-	-	3,791,952
Contract Liabilities		25,591	-	-	25,591
Borrowings					
Loan from TCV	3.9%	236,924	236,924	-	-
<b>Total financial liabilities</b>		<b>4,536,669</b>	<b>236,924</b>	<b>-</b>	<b>4,299,745</b>

Notes: (i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

# Notes to the Financial Statements

## 7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. The Board is not aware of any material threat or existing legal actions or other contingencies between Falls Creek Alpine Resort Management Board and third parties as at 30 September 2022. There are no contingent liabilities or asset at 30 September 2022.

## 7.3 FAIR VALUE DETERMINATION

### Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Board.

This section sets out information on how the Board determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at amortised value:

- Financial assets and liabilities at amortised value through operating result; and
- Land, buildings, infrastructure, plant and equipment at fair value.

The Board determines the policies and procedures for determining amortised values for both financial and non-financial assets and liabilities as required.

### Fair value hierarchy

In determining fair values, several inputs are used. To increase consistency and comparability in the financial statements while applying AASB 113 Fair Value, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Board determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### How this section is structured?

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value;
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
- a reconciliation of the movements in fair values from the beginning of the year to the end; and
- details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer Note 7.3.1) and non-financial physical assets (refer 7.3.2

## 7.3.1 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Board currently holds a range of financial instruments that are recorded in the financial statements subsequently measured at amortized cost, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022 reporting period.

These financial instruments include:

FINANCIAL ASSETS	FINANCIAL LIABILITIES
<p><i>Cash and deposits</i></p> <p><b>Receivables:</b></p> <ul style="list-style-type: none"> <li>• Sale of goods and services</li> <li>• Accrued investment income</li> <li>• Other receivables</li> </ul> <p>Investments and other contractual financial assets</p>	<p><b>Payables:</b></p> <ul style="list-style-type: none"> <li>• For supplies and services</li> <li>• Amounts payable to government and agencies</li> <li>• Other payables</li> </ul> <p><b>Borrowings:</b></p> <ul style="list-style-type: none"> <li>• Loan from TCV</li> </ul>

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference. For financial assets and liabilities, the carrying amount is the same as fair value.

# Notes to the Financial Statements

## 7.3.2 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS

### Fair value measurement hierarchy

2022	CARRYING AMOUNT AS AT 30 SEPTEMBER 2022	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
		LEVEL 1	LEVEL 2 <sup>(i)</sup>	LEVEL 3 <sup>(i)</sup>
	\$	\$	\$	\$
Land at fair value:				
Specialised land	51,375,985	-	-	51,375,985
<b>Total land at fair value</b>	<b>51,375,985</b>	<b>-</b>	<b>-</b>	<b>51,375,985</b>
Buildings at fair value:				
Specialised buildings	11,618,185	-	-	11,618,185
<b>Total buildings at fair value</b>	<b>11,618,185</b>	<b>-</b>	<b>-</b>	<b>11,618,185</b>
Plant, equipment and vehicles at fair value:				
Plant, equipment and vehicles	1,677,153	-	-	1,677,153
<b>Total plant, equipment and vehicles at fair value</b>	<b>1,677,153</b>	<b>-</b>	<b>-</b>	<b>1,677,153</b>
Infrastructure at fair value:				
Infrastructure systems	19,897,085	-	-	19,897,085
Roads	27,588,438	-	-	27,588,438
<b>Total infrastructure at fair value</b>	<b>47,485,523</b>	<b>-</b>	<b>-</b>	<b>47,485,523</b>

2021	CARRYING AMOUNT AS AT 31 DECEMBER 2021	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
		LEVEL 1	LEVEL 2 <sup>(i)</sup>	LEVEL 3 <sup>(i)</sup>
	\$	\$	\$	\$
Land at fair value:				
Specialised land	44,668,300	-	-	44,668,300
<b>Total land at fair value</b>	<b>44,668,300</b>	<b>-</b>	<b>-</b>	<b>44,668,300</b>
Buildings at fair value:				
Specialised buildings	11,039,023	-	-	11,039,023
<b>Total buildings at fair value</b>	<b>11,039,023</b>	<b>-</b>	<b>-</b>	<b>11,039,023</b>
Plant, equipment and vehicles at fair value:				
Plant, equipment and vehicles	1,510,844	-	-	1,510,844
<b>Total plant, equipment and vehicles at fair value</b>	<b>1,510,844</b>	<b>-</b>	<b>-</b>	<b>1,510,844</b>
Infrastructure at fair value:				
Infrastructure systems	20,422,581	-	-	20,422,581
Roads	27,668,051	-	-	27,668,051
<b>Total infrastructure at fair value</b>	<b>48,090,632</b>	<b>-</b>	<b>-</b>	<b>48,090,632</b>

Notes: (i) Leased land assets to the value of \$38,691,800 have been reclassified from level 2 as disclosed in the 2017 financial statements, to level 3. This is based on updated information identifying that a discount factor is applied to the value of these assets, being a significant unobservable input.

### Specialised Land and Buildings

Fair value for leased land classified as level 3 is determined by adopting the site value for each leased site then calculating the present value of the income combined with the reversion value of the site at the expiration of the current site lease term. A further discount is applied to this valuation to reflect the valuers best estimate for the current conditions, expectations of activity and risks in respect to these leased land assets.

Specialised buildings are valued using the depreciated replacement cost method, adjusting for the associated depreciations. As depreciation adjustments are observable in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of specialised land and buildings was performed by the Valuer-General Victoria (VGV). The effective date of the valuation is 31 December 2021. Under AASB 113 Fair Value Measurement an increase in the value of land was adjusted based on the VGV changes in land data for the 2022 Financial Year.

### Infrastructure

Infrastructure assets, including road infrastructure, are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful

### Reconciliation of Level 3 fair value

2022	SPECIALISED LAND	SPECIALISED BUILDINGS	PLANT, EQUIPMENT AND VEHICLES	INFRASTRUCTURE SYSTEMS	ROADS
	\$	\$	\$	\$	\$
Opening balance	44,668,300	11,039,023	1,510,844	20,422,581	27,668,051
Additions & transfers	-	934,028	456,772	-	344,952
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Revaluation	6,707,685	-	-	-	-
Depreciation	-	-354,866	-290,463	-525,493	-424,566
<b>Closing Balance</b>	<b>51,375,985</b>	<b>11,618,185</b>	<b>1,677,153</b>	<b>19,897,088</b>	<b>27,588,437</b>
2021	SPECIALISED LAND	SPECIALISED BUILDINGS	PLANT, EQUIPMENT AND VEHICLES	INFRASTRUCTURE SYSTEMS	ROADS
	\$	\$	\$	\$	\$
Opening balance	39,403,800	10,836,902	1,629,598	20,470,074	12,116,145
Additions & transfers	-	80,010	325,518	116,338	870,564
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Revaluation	5,264,500	525,351	-	620,345	15,236,758
Depreciation	-	-403,240	-444,272	-784,176	-555,416
<b>Closing Balance</b>	<b>44,668,300</b>	<b>11,039,023</b>	<b>1,510,844</b>	<b>20,422,581</b>	<b>27,668,051</b>

life basis.

Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

An independent valuation of the Board's infrastructure assets was performed by the Valuer-General Victoria. The valuation was performed based on the depreciated replacement costs of the assets. The effective date of the valuation is 31 December 2021. During the 2021 revaluation process it was discovered that this included the revaluation of some components that were not available in the 2016 revaluation for roads, which is assessed as a prior year error under AASB 108. It is considered impractical to go back and reassess the 2016 valuation as this component level information from 2016 is not available.

### Plant and Equipment

Plant and equipment are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using depreciated cost method.

There were no changes in valuation techniques throughout the period to 30 September 2022.

For assets measured at fair value, the current use is considered the highest and best use.

# Notes to the Financial Statements

## Description of significant unobservable inputs to Level 3 valuations

	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS
Specialised land	Income approach	Community Service Obligation Adjustment (CSO) Discount Rate Future Revenue
Specialised buildings	Depreciated replacement cost	Replacement cost per square metre Useful life of specialised buildings
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Infrastructure	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Roads	Depreciated replacement cost	Cost per metre Useful life of plant and equipment

## 8. OTHER DISCLOSURES

### Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

### 8.1 EX-GRATIA EXPENSES

There were no ex-gratia expenses paid during the financial year ended 30 September 2022 (2021: \$Nil).

### 8.2 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/ (losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave and annual leave liability due to changes in the bond interest rates.

In 2022, the Board did not sell or dispose of assets at market value that were no longer in use or were replaced (2021: \$18,858).

### 8.3 NON-FINANCIAL ASSETS HELD FOR SALE

There were no assets held for sale as at 30 September 2022 (2021: \$Nil).

## 8.4 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994 (FMA), the following disclosures are made regarding responsible persons for the reporting period:

### Names

The person who held the position of Minister is as follows:

Minister for Energy, Environment and Climate Change

The Hon Lily D'Ambrosio MP (1 January 2022 to 30 September 2022)

The Minister's remuneration and allowances are set by the Parliamentary Salaries and Superannuation Act 1968 and are reported within the Department of Parliamentary Services' Financial Report.

The persons who held the positions of Responsible Officers in the Board are as follows:

NAME	POSITION	PERIOD
Jo Shannon	Board Chair	(1 January 2022 to 30 September 2022)
Lindy Allen	Deputy Chair	(1 January 2022 to 30 September 2022)
Jason Alexandra	Board Member	(1 January 2022 to 30 September 2022)
Helen Moran	Board Member	(1 January 2022 to 30 September 2022)
Peter Valerio	Board Member	(1 January 2022 to 30 September 2022)
Stuart Smythe	CEO & Accountable Officer	(1 January 2022 to 30 September 2022)

Remuneration received or receivable by the responsible persons in connection with the management of the Board during the reporting period was \$255,674 (2021: \$370,232).

The number of responsible persons and their total remuneration during the reporting period are shown in the table below in their relevant income bands. The comparison and change in bands is due to the 9 month Annual Report period of 2022, compared to 12 months in 2021.

INCOME BANDS	TOTAL REMUNERATION	
	2022 9 months.	2021 12 months.
\$0-\$9,999	1	2
\$10,000-\$19,999	4	5
\$260,000-\$269,999	1	1
<b>Total number of responsible persons</b>	<b>6</b>	<b>8</b>
<b>Total remuneration</b>	<b>\$255,674</b>	<b>\$370,232</b>

# Notes to the Financial Statements

## 8.5 REMUNERATION OF EXECUTIVES

The remuneration of the executive officers including superannuation shows the total annualised employee equivalents providing a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually

paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long service benefits or deferred compensation.

No termination benefits or shared-based payments were paid to executive officers throughout the 2022 Financial Year.

REMUNERATION	TOTAL REMUNERATION	
	2022 9 months.	2021 12 months.
	\$	\$
Short-term employee benefits	432,678	721,167
Post-employment benefits	43,450	58,857
Other long-term benefits	13,104	15,373
<b>Total remuneration</b>	<b>489,233</b>	<b>795,397</b>
<b>Total number of executives</b>	<b>4</b>	<b>6</b>
<b>Total annualised employee equivalents <sup>(i)</sup></b>	<b>4</b>	<b>4.32</b>

Notes: (i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period, for 2022 this is 38 hours a week over the 9 month financial year period.

## 8.6 RELATED PARTIES

AASB 124 – Related Party Disclosures requires specific disclosures around related party transactions for the 2022 financial year. The following disclosures are in line with the AASB requirements.

The Board is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Board include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- all departments and public-sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered on an arm's length basis.

### Significant transactions with government-related entities

The Board paid to the Department of Environment, Land,

Water & Planning (DELWP) \$122,576 for site valuations, planning permits, and compliance obligations. Under a letter of comfort during the COVID-19 pandemic, the Board received cash support of \$915k from DELWP, with further information on this available in notes 1.1 and 2.4, specific waste transition funding of \$28k was also received. The Board has a 10-year fixed rate loan with TCV, with repayments of \$156,027 during the year; further information on this loan can be found in note 6.1.

The Board were invoiced an amount from Alpine Resorts Co-ordinating Council (ARCC) of \$179,000 for operational and marketing contributions (2021: \$76,041).

During the year, the Board had government-related entity transactions related to the reimbursement of shared costs of joint projects of \$3,310.

Key management personnel of the Board include the Portfolio Minister, Board members and the Accountable Officer. The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

COMPENSATION OF KMPs	2022	2021
	9 months.	12 months.
	\$	\$
Short-term benefits	232,780	334,212
Post-employment benefits	22,894	29,950
Other long-term benefits	0	6,070
<b>Total</b>	<b>255,674</b>	<b>370,232</b>

### Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public-Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Board, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

# Notes to the Financial Statements

## 8.7 REMUNERATION OF AUDITORS

	2022	2021
	9 months	12 months
	\$	\$
<b>Victorian Auditor-General's Office</b>		
Audit or review of the financial statements	49,000	47,000
<b>Crowe</b>		
Internal Audit	6,875	27,875
<b>Total remuneration of auditors</b>	<b>55,875</b>	<b>74,875</b>

## 8.8 SUBSEQUENT EVENTS

### Corporate Structure change

The Alpine Resorts Legislation Amendment Act 2022, (the Act) passed by the Victorian Parliament in March 2022, abolished the four Alpine Resorts Management Boards (ARMB's), including FCARMB on 1 October 2022.

The Act established Alpine Resorts Victoria (ARV), a single entity, which commenced as successor in law to the ARMB's on 1 October 2022.

Please refer to Note 1.2 Basis for preparation for detailed information.

### Landslide on Bogong High Plains Road

On 10th October 2022, a landslide began on Bogong High Plains Road that continues to slide slowly. This landslide has blocked access to Falls Creek, with access available through the Omeo Highway only. This has had a significant impact on Summer operations within the resort. Extensive works have been undertaken to restore access to Falls Creek via Bogong High Plains Road, with single lane access restored from 24 April 2023. This is unlikely to have material impacts on the Winter season of 2023 however has impacted the timing of Capital Projects, events and Summer 2022-2023 activities.

## 8.9 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

The following Australian Accounting Standards (AASs) become effective for reporting periods commencing after the operative dates stated:

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 31 December 2020 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises the Board of their applicability and early adoption where applicable.

The Board is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The

amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

The Board is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 Classification of Liabilities as Current or Non-Current – Deferral of Effective Date with the intention to defer the application by one year to periods beginning on or after 1 January 2023. The Department will not early adopt the Standard.

The Board is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Department's reporting.

AASB 17 Insurance Contracts.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.

AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.

## 8.10 GLOSSARY OF TECHNICAL TERMS

The following is a summary of the major technical terms used in this report.

<b>Amortisation</b>	is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.
<b>Borrowings</b>	refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.
<b>Commitments</b>	include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.
<b>Comprehensive result</b>	is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.
<b>Depreciation</b>	is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.
<b>Employee benefits expenses</b>	include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.
<b>Ex-gratia expenses</b>	mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.
<b>Financial asset</b>	is any asset that is: (a) cash; (b) an equity instrument of another entity; (c) a contractual right: –to receive cash or another financial asset from another entity; or –to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or (d) a contract that will or may be settled in the entity's own equity instruments and is: –a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or –a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.
<b>Financial instrument</b>	is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
<b>Financial liability</b>	is any liability that is: (a) a contractual obligation: –to deliver cash or another financial asset to another entity; or –to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: –a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or –a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.
<b>Infrastructure systems</b>	provide essential services used in the delivery of final services or products. They are generally a complex interconnected network of individual assets and mainly include sewerage systems, water storage and supply systems, and public transport assets owned by the State.
<b>Interest expense</b>	represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.
<b>Leases</b>	Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.
<b>Net operating balance or net result from transactions</b>	is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

<b>Net result</b>	is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.
<b>Net worth</b>	is calculated as assets less liabilities, which is an economic measure of wealth.
<b>Non-financial assets</b>	are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.
<b>Operating result</b>	is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.
<b>Other economic flows included in net result</b>	are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.
<b>Payables</b>	include short and long-term trade debt and accounts payable, grants, taxes and interest payable.
<b>Receivables</b>	include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.
<b>Sales of goods and services</b>	refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.
<b>Supplies and services</b>	generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the Department.
<b>Transactions</b>	are those economic flows that are considered to arise because of policy decisions, usually an interaction between two entities by agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

### 8.11 STYLE CONVENTIONS

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

– zero, or rounded to zero

-xxx negative numbers

201x year period

201x 1x year period

The financial statements and notes are presented based on the illustration for a government department in the 2019–20 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Board's annual report.

## Disclosure Index

The Annual Report of the Falls Creek Alpine Resort Management Board is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

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