



Annual Report 2023



Alpine Resorts
Victoria

Traditional Owner Acknowledgment

Alpine Resorts Victoria respectfully acknowledges all Aboriginal and Torres Strait Islander peoples as the Traditional Owners and custodians of the land and water on which all Australians rely.

We acknowledge and pay our respect to the Gunaikurnai, Taungurung and Wurundjeri Woi Wurrung People as the First People and original custodians of much of the alpine land and water on which we rely and operate, their unique ability to know, read and care for Country and their deep spiritual, social and cultural connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

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Chair's Report

It is with great pleasure that I provide my report for the inaugural Alpine Resorts Victoria (ARV) annual report, spanning the first 15 months of ARV's operations from 2 October 2022 to 31 December 2023. I was honoured to be appointed as Chair of ARV in August 2022, tasked with leading a dynamic team through the complex but exciting task of forging a stronger, more resilient future for Victoria's six alpine resorts.



Victoria's alpine resorts all have unique and distinct identities and offerings – a wide range of snow-based activities in the winter months and increasingly popular warm weather recreation activities such as bushwalking, mountain biking and food and music festivals. Each resort has its own history and unique places, its own stakeholders and regular visitors, its own strengths and its own challenges.

ARV was established to ensure that the synergies and unique opportunities of each resort could be better realised and supported. In addition, there were obvious benefits to harnessing the power of six resorts in responding to challenges such as climate change and economic pressures – we just needed the legislative framework to enable this logical step forward.

The alpine sector is a significant and substantial contributor to regional economies, generating \$1.5 billion to the Gross State Product (GSP) each year. We see 1.56 million visitors come through our gates, and provide over 14,000 jobs, all in regional areas.

Moreover, ARV is custodian of significant locations that hold sensitive and unique environmental and cultural values. Our First Nations partners are the original custodians of the land on which the alpine resorts are located, and ARV respects, celebrates and supports this significant and enduring relationship.

For over a million people each year the resorts are part of their way of life, being their chosen destinations for holidays and recreation. These wild natural locations are linked by their common attributes, so our ability to manage and protect these places is significantly increased when we work as a single entity, collaborating and integrating our knowledge and resources.

The Victorian Government is committed to the economic recovery and long-term viability of the alpine resorts for all Victorians and provided significant financial support during the years prior to the establishment of ARV, but in order for the resorts to be sustainable, a strong strategic focus and integrated approach was required.

The new organisation put in place immediate actions to deal with the most pressing issues and commenced work on strategic initiatives as directed by the then Minister of Energy, Environment and Climate Action, the Hon Lily D'Ambrosio. The Minister gave ARV a clear mandate via a Letter of Expectations in October 2022: ARV would amalgamate resort teams, systems and processes; effectively engage with stakeholders and resort partners; develop a financially sustainable way forward for the resorts; lead alpine communities in adapting and responding to climate change; to drive sector-wide strategic planning; and partner with Traditional Owners in support of self-determination. This was supported by the Victorian Government with a \$5 million Establishment Fund, ensuring that the resorts were not financially impacted by the set-up of the new organisation.

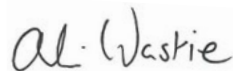
Chair's Report

I am pleased that the ARV team has been able to make significant progress in all of these areas, demonstrating the value of working collaboratively across the alpine industry rather than in resort-specific silos. Key strategic initiatives that commenced in 2023 include the review of the *Alpine Resorts Strategic Plan 2020–2025*, the complex process of addressing the issue of affordable bushfire insurance for resort lessees, and commencement of the Alpine Leasing Policy Review process, which ARV will engage with lessee's on in 2024. All of this work has a direct impact on our stakeholders as well as bolstering the sustainability of our resorts.

ARV's strengthened engagement with our Traditional Owner partners has also been a highlight. The alpine country within Victoria is part of an Aboriginal cultural landscape that includes the traditional Country of three Registered Aboriginal Parties – Gunaikurnai Land and Waters Aboriginal Corporation, Taungurung Land and Waters Council, and Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation. ARV's commitment to enabling Traditional Owner self-determination will ensure management decisions consider their significant local knowledge and enduring connection to Country.

I would like to thank my fellow Board members, who have demonstrated unwavering support and enthusiasm for ARV and our future, bringing their unique skill sets and passion for the alpine sector to their decision-making.

And finally, thank you to Amber Gardner, our Chief Executive Officer, who took on the difficult role of building a new organisation while resort operations remained in full swing. Amber has built a high-performing team that has achieved an incredible amount in a very short time, with significant stakeholder support and goodwill along the way and led the organisation with energy and a 'can-do' attitude. This has ensured that ARV has already had the impact of a much larger, well-established organisation. I look forward to seeing what the next twelve months will bring.



Ali Wastie

Chair, Alpine Resorts Victoria Board

Chief Executive Officer's Report

ARV came into effect in October 2022, with this annual report representing the first 15 months of operations for our organisation, which has been an incredible time of growth.



The decision to create a single entity governing all six resorts was acknowledgement of the significant role the resorts play in Victoria's visitor economy, in the nature-based tourism and outdoor recreation sectors and their importance to the communities that live, work, and play in those resorts. Only with concerted and coordinated action could the resorts develop the resilience to thrive in the face of challenges such as climate change and the pressure exerted by natural disasters, as vividly illustrated by the COVID-19 pandemic with its long-lasting financial impact, coming on the heels of a severe bushfire season in 2019–20.

Prior to the establishment of ARV, the northern resorts operated under a self-funding model, with the resorts reliant on the revenue they generated to support their operations, supplemented by some grant funding. This model has, in the past, left resorts exposed when extreme unexpected events occurred, as was experienced during the COVID-19 pandemic. The southern resorts were not generating sufficient income to cover their operations and as a result were suffering significant annual losses, requiring ongoing government funding to remain viable. Particularly during and just after the COVID-19 pandemic, the support of the Victorian Government was critical to ensuring all of the alpine resorts could continue to operation, supported by programs such as the Alpine Resorts Support Program.

The Victorian Government is committed to developing and growing the Victorian alpine sector, so a key focus for ARV is working with our stakeholders to bring all of the alpine resorts to sustainable positions as a foundation for growth. This has been supported by a number of significant funding packages secured by ARV prior to and during the reporting period, including \$550,000 from the Visitor Servicing Fund for a Visitor Services Platform, and \$2.8 million provided in an Alpine Business Support

Package to help Falls Creek businesses reactivate after a landslip on the Bogong High Plains Road closed the resort over summer 2021–22.

People are an organisation's most valuable asset, so an immediate priority was identifying and implementing a new organisational structure and a recruiting a high-performing centralised team to drive collective strategy and operations. This was successfully achieved prior to winter 2023, ensuring we had the requisite resources to drive organisational change and deliver on industry priorities.

We also started implementing common systems and processes across the resorts including a new finance system and chart of accounts, a file sharing platform, a HR platform, a range of ARV-wide policies and a new strategic planning framework. Over the medium-term, this work to standardise and amalgamate business practices will enable us to realise efficiencies and increase the effectiveness of functions across the organisation.

At the same time, we established Stakeholder Consultative Committees as mandated by the revisions to the Act, completing this for each of the resorts within the first two months of operation, well within the twelve month deadline directed by the Minister. These committees have evolved over time into robust forums, and it has been gratifying witnessing the growing trust and enthusiastic participation from our valued stakeholders. ARV benefits greatly from having stakeholders that are willing to 'come to the table' and help us ensure that our strategies and operations fit the needs of the full range of stakeholders we serve.

This was clearly illustrated in the work done on identifying a sustainable pathway forward for the Southern Resorts including a transitional model for 2024 that reduces their collective deficit by \$3 million. The Lake Mountain and Mt

Chief Executive Officer's Report

Baw Baw Stakeholder Consultative Committees worked with ARV on discussing the challenges faced by their resorts and potential ways forward. This resulted in both summer plans that were put into action for immediate benefit and long-term strategies supported by stakeholders.

Engagement continued throughout the reporting year as we commenced a number of key initiatives progressing alpine industry priorities including working with stakeholders to investigate factors impacting a viable solution to bushfire insurance issues, the delivery of a new economic impact assessment for the sector, and work on a sustainable model for resort medical services. We've also commenced work with DEECA on reviewing the Alpine Resorts Leasing Policy to provide principle-level guidance on the Government's desired outcomes from alpine leasing.

The next ten years will be critical for ARV in securing a resilient future for the sector, and we have a unique opportunity to take action to ensure these special places remain resilient for current and future generations.

I'm proud of what we have achieved since ARV's inception, creating the fundamentals of a new organisation and managing existing operations while also instigating key pieces of strategic work including those mentioned above that will bring significant benefit to the sector for years to come.

I look forward to ARV's next year of achievements and would like to thank the ARV Board for their valuable and passionate support and guidance throughout this period. I also thank the ARV team, who have continued to deliver throughout a period of great change. Their passion for what they do is an asset to our organisation and will continue to carry us through the future change we need to implement to ensure our resorts remain able to meet the challenges ahead.

I am confident that ARV will be a strong, effective voice for the alpine sector, benefiting our partners, our stakeholders and all who visit our resorts, as well as the precious environment we care for, ensuring the true value of our sector is understood and supported for years to come.



Amber Gardner

CEO, Alpine Resorts Victoria



Report of Operations 2023

ARV at a glance

10,590

ARV manages six alpine resorts encompassing 10,590 hectares of unique alpine environment



Supports and enables businesses that operate in the resorts and facilitate strategic investment

14,000

Provides over 14,000 jobs, all in regional areas

\$1.5

Generates \$1.5 billion to the Gross State Product (GSP) per annum



Provides a range of essential services that underpin the operation of our alpine villages



Actively markets and promotes the resorts to attract year-round visitation and yield, and deliver a range of tourism infrastructure in support of strong and engaging visitor experiences



Actively participates in regional and municipal emergency management at each resort

Protects important cultural and natural landscapes including the habitat of rare and threatened flora and fauna species, such as the critically endangered Mountain Pygmy-possum



1.56

Receives 1.56 million visitors per annum

2023 Visitation



- ▲ Mt Baw Baw
- ▲ Lake Mountain
- ▲ Mt Buller
- ▲ Mt Stirling
- ▲ Mt Hotham
- ▲ Falls Creek

Winter Visitation

2023 Visitor numbers

> Mt Baw Baw	63,511
> Lake Mountain	98,773
> Mt Stirling	8,540
> Mt Hotham	154,825
> Falls Creek	168,241
> Mt Buller	318,385
> All Resorts	812,275

10 year previous average visitors #s

All Resorts:	719,317
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% change 10 year previous average visitors #s to 2023

All Resorts:	+13%
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2023 Visitor days

> Mt Baw Baw	94,319
> Lake Mountain	98,773
> Mt Stirling	10,959
> Mt Hotham	398,746
> Falls Creek	457,659
> Mt Buller	481,230
> All Resorts	1,541,686

10 year previous average visitors days

All Resorts:	1,331,802
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% change 10 year previous average visitors days to 2023

All Resorts:	+16%
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Summer Visitation

2022-23

> Mt Hotham	30,122
> Mt Buller	129,594 (w/c 30 Oct 2022 – W/c 20 May 2023)
> Mt Stirling	51,811 (w/c 30 Oct 2022 – w/c 6 May 2023)
> Falls Creek	No summer visitation due to landslip on Bogong High Plains Rd

Oct-Dec 2023

> Mt Hotham	25,728 (Nov 2023 – Jan 2024)
> Mt Buller	25,001 (w/c 30 Oct 2023 – w/c 25 Dec 2023)
> Mt Stirling	12,709 (28 Oct 2023 – 31 Dec 2023)
> Falls Creek	36,592 (Oct – Dec 2023)

Establishment of ARV

ARV was established by the Victorian Government on 1 October 2022 through amendments to the [Alpine Resorts \(Management\) Act 1997](#) (the Act), responsible for the management, development, promotion and use of Victoria's six alpine resorts: Falls Creek, Lake Mountain, Mt Baw Baw, Mt Buller, Mt Hotham and Mt Stirling.

ARV is a statutory authority that reports to the Minister for Environment and is subject to the general direction and control of the Minister. ARV is a body corporate and is considered a public body for the purposes of the [Financial Management Act 1994](#) (FMA).

The establishment of ARV brings the management of the resorts together into one organisation and supersedes the Alpine Resort Management Boards to build the economic resilience of the sector, streamline operations across the resorts where possible and coordinate their response to challenges.

The Minister has outlined detailed performance priorities for ARV in a [Letter of Expectations \(LoE\)](#) dated 24 October 2022, which works alongside the Act and the [Victorian Climate Change Strategy](#) to provide the current policy context that ARV operates within.

ARV operates within the context of legislation, government policy and obligations, and our Letter of Expectations as well as stakeholder and visitor needs and expectations. Our decisions will be informed by broader industry, community and environmental outcomes. ARV is committed to establishing a successful ARV and deliver great outcomes for our customers, stakeholders and the environment.

ARV's Vision

Vibrant, sustainable, and thriving alpine resorts that can be embraced by all and enjoyed by generations to come.

ARV's Purpose

To lead and unite the alpine sector in driving the resilience, adaptation, and enhancement of Victoria's unique resorts.

Establishment of ARV

ARV's Values

At Alpine Resorts Victoria, we are a diverse team of passionate, capable and proud people working towards our goal of a sustainable future for our resorts and the alpine environment.

Our behaviours, our work and our decisions are guided by five core values:

- > **Be positive** – We lead by example, work proactively to solve problems, and maintain a positive and constructive attitude.
- > **Work together** – We share knowledge, communicate openly, support each other, and collaborate across all areas.
- > **Show respect** – We take responsibility for our actions, have pride in our work and always act in an honest and transparent manner.
- > **Give support** – We are approachable, kind, listen to feedback and appreciate the different views and perspectives of others.
- > **Keep safe** – We protect our people and resorts and are committed to caring for the alpine environment in all we do.

ARV's Objectives

To promote the management, development, promotion, and use of alpine resorts taking into account:

- > their unique characteristics;
- > the environment and ecology of each resort and the effect of climate change on them;
- > economic considerations;
- > the cultural heritage and landscape, including indigenous cultural heritage and the requirements of any relevant traditional owner recognition and settlement agreement; and
- > the use of alpine resorts for recreation and tourism in all seasons by diverse cultural and economic groups.

ARV's Principles

ARV will consider the following while performing all duties:

- > protecting the unique environmental, social, cultural, and economic characteristics of each alpine resort;
- > planning for and managing all alpine resorts in a coordinated manner that adapts to and responds to the impacts and risks of climate change;
- > the ongoing impact of the use of the alpine resorts on natural and cultural features and the ecology of the alpine resorts;
- > respecting, protecting, and promoting Aboriginal self-determination, cultural values, practices, heritage, and knowledge in the alpine resorts;
- > partnering with traditional owners in policy development, planning, and decision-making in the alpine resorts;
- > protecting and enhancing the amenity, access, and use of each alpine resort, for the benefit and enjoyment of current and future generations of all Victorians; and
- > promoting investment in a diverse range of tourism and recreation experiences, for all seasons, in each alpine resort.

ARV's Operating Environment

ARV operates in a global environment that is rapidly changing. The coming decade will bring significant challenges and opportunities, including climate change, greater Aboriginal self-determination, population growth, rising living costs, changing visitor economy trends, and financial sustainability. ARV resorts will need to adapt to dramatic shifts to where and how alpine communities live, work and play.

Our Strategy

ARV works to several key government policies and directions including:

- > Alpine Resorts Strategic Plan 2020–2025: the long-term plan for the alpine sector and managing the alpine resorts while responding to the challenges of climate change and self-determination.
- > Letter of Expectations: expectations set by the Minister for Environment, aligned to the Alpine Resorts Strategic Plan 2020–2025 and setting priorities for ARV to address within the nominated period

The Alpine Resorts Strategic Plan (ARSP) is the key strategic tool currently guiding the alpine sector. Whilst ARV continues to follow the strategic focus areas outlined in the plan, the Minister has requested that it be reviewed to ensure it reflects the new governance arrangements and current operating environment.

The review and updating of the strategy will conclude in early 2024 ahead of commencing planning for the development of a new strategy in 2025, recognising the imperative of responding to climate change and encompassing the needs and opportunities for the sector in its entirety, ensuring that all facets of Victoria's alpine resorts work towards common goals and success.

STRATEGIC OBJECTIVES

The Victorian alpine resorts achieve their potential as thriving and sustainable destinations for mountain activities and nature-based tourism.



INVESTMENT

Enable investment that drives sustainable businesses



ENVIRONMENT

Protect and enhance the alpine environment and adapt to climate change



VISITORS

Enhance the visitor experience



REFORM

Address industry priorities and deliver practical alpine reform

Our Strategy

Strategic Objective 1

Enable investment that drives sustainable businesses within a prosperous regional economy

Strategic Action 1.1

Identify new, and enhance current, year-round experiences that attract investment.

Strategic Action 1.2

Seek opportunities for diverse sources of development funding.

Strategic Action 1.3

Work with infrastructure and service providers to maintain, upgrade, replace, and provide the optimum suite of assets for a sustainable, climate ready alpine region.

Strategic Objective 2

Protect and enhance the mountain environment

Strategic Action 2.1

Sustain and protect the biodiversity of the alpine ecosystems.

Strategic Action 2.2

Connect people with the alpine environment and enable low-impact visitation.

Strategic Action 2.3

Reduce the environmental footprint of the alpine resorts.

Strategic Objective 3

Enhance the visitor experience

Strategic Action 3.1

Deliver the optimum visitor experience by matching infrastructure and services with visitor needs.

Strategic Action 3.2

Deliver a resort experience that is mindful of cultural needs and continue to improve access for all abilities.

Strategic Objective 4

Implement practical policy and regulatory reform

Strategic Action 4.1

Review and update the Alpine Resorts Leasing Policy.

Strategic Action 4.2

Review and update the Alpine Resort Strategic Management Plan Framework.

Strategic Action 4.3

Develop Alpine Resort Siting and Design Guidelines.

Strategic Action 4.4

Improve the effectiveness and efficiency of the Alpine Resorts Planning Scheme.

External drivers influencing our Strategy

CLIMATE CHANGE

Climate change poses a significant threat to Victoria's alpine industry and the alpine environment. The world is warming, natural snow falls are declining, the oceans are changing, and extreme climatic events are becoming more frequent. Increased prevalence of extreme weather events including storm activity, altered fire regimes, changes to rainfall and access to water are all pressures that are already manifesting themselves in the alpine resorts. This poses significant challenges for resort management and operators, who will need to adapt in the face of climate change. ARV is uniquely placed to lead climate change planning for the alpine sector, and our strategy ensures these considerations will be built into our planning and processes.

FINANCIAL SUSTAINABILITY

The impact of the COVID-19 pandemic and associated restrictions on travel significantly impacted the operations of each alpine resort. While the direct impact of reduced visitation was clearly felt across the resorts, the depressed revenue conditions exposed several underlying financial issues associated with the funding model, highlighting the need for change in the operating and funding models.

ARV has inherited the challenge of cash reserves having been completely extinguished as a result of the COVID-19 pandemic and the impact it had on visitation, operating revenues returning to pre-pandemic levels, increasing costs of delivering services, a 20-year legacy of Government funding being received by the Southern Resorts and a Treasury Letter of Comfort arrangement being instituted to support resorts meeting their financial obligations conditional on limiting expenditure to essential operating items. Support from the Victorian Government has been instrumental in ensuring continued operations while ARV develops strategy that prioritises actions to ensure the financial sustainability of the resorts.

ABORIGINAL SELF-DETERMINATION

The alpine country within Victoria is part of an Aboriginal cultural landscape. This includes the traditional country of three Registered Aboriginal Parties:

- > Gunaikurnai Land and Waters Aboriginal Corporation within lands of the Mt Baw Baw and Mt Hotham resorts;
- > Taungurung Land and Waters Council within lands of the Lake Mountain, Mt Buller, Mt Stirling, and Mt Hotham resorts; and
- > Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation within lands of the Lake Mountain resort.

There are other First Nations groups which also have connection to and assert interest and rights in alpine country, particularly the lands on which Falls Creek Alpine Resort operates. ARV is committed to supporting self-determination and an integral part of our strategy is partnering with Traditional Owners in the management of the resorts, and in matters of policy development, planning, and decision-making where and when the Traditional Owners determine that aligns with their objectives and priorities.

Legal Responsibilities

The statutory obligations and undertakings of ARV are:

- > as a public entity established under the *Alpine Resort Management Act 1997* to manage the Crown land declared to be the six alpine resorts 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 be taken as a municipal council for the purposes of the *Emergency Management Act 2013* and Division 2A of Part 9 of the *Environmental Protection Act 2017*;
- > 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*; and
- > to consider applications for planning permits in accordance with Sections 52 and 55 of the *Planning and Environment Act 1987*.

ARV BOARD

The ARV Board was established on 1 October 2022 and consists of nine members:

- > Ali Wastie – Chair
- > Helen Moran – Deputy Chair
- > Daniel Miller – Board member
- > Julia Hunter – Board member
- > Kaley Nicholson – Board member
- > Michael Monester – Board member
- > Nadia Jaworski – Board member
- > Natalie Ajay – Board member
- > Peter Anderson – Board member

The Board has four committees being:

- > Finance, Risk and Audit Sub Committee
- > First Nations and Stakeholder Engagement Sub Committee
- > People, Culture and Remuneration Sub Committee
- > Strategic Planning, Asset Management and Commercial Operations Sub Committee

See page 35 for Board meeting attendance

ARV Transition Plan

The Alpine Resorts systems and process transition is a significant multistage, multiyear project that is critical in underpinning the future operational success of ARV. The ARV Transition Plan was developed as part of the establishment of ARV to amalgamate and standardise the systems and processes of the resorts, identifying and prioritising those areas most aligned to core business practices.

Consideration was given to a number of key factors in the development of the high-level phase one transition plan to ensure the ARV roadmap establishes a clear path forward, these being:

- > Priority systems and processes to support immediate operational activities and financial reporting requirements;
- > Existing best practices (systems & processes) within each of the resorts that can be adopted by ARV;
- > Adoption of a standard approach for the gathering of fixed revenue across all resorts;
- > Flexible IT roadmap to enable core system consolidation, which is operationally focused, leverages ARV procurement opportunities and supports future data analysis; and
- > Ability of ARV teams to absorb multiple system and process changes post a number of challenging operational years, embedding of the new organisational structure and snow season operational commitments.



ARV Transition Plan

Key Transition Projects

The milestones in the table below were identified as project deliverables aligning to the requirements outlined in the Minister's letter of expectations.

Milestone	Status at 31 December 2023
ARV Organisational Structure – delivery of the ARV central model	Complete
Enterprise Agreement – Commencement and delivery of the ARV consolidated Enterprise Agreement	Commenced and in progress
ARV Transformation team – establishment of the transformation operating model	Complete
ARV central operating model – embedding immediate operational requirement	Complete
ARV ICT Strategy – finalisation of the (multi-year) IT strategy	Due Q1 2024
Process Priorities – Implementation and/or detailed plan in place for identified initiatives in the workstreams of: <ul style="list-style-type: none"> > Finance, Audit & Risk > IT Systems, Application & Infrastructure > People & Culture > Property & Planning > Environment & Climate Change > Tourism, Strategy & Planning > Assets and Infrastructure 	Commenced and in progress
Future State ARV process – process frameworks defined by workstream	2024
Implementation of core systems: <ul style="list-style-type: none"> > Finance System > Property Platform > Payroll > HRIS > Document Management 	Completed in December 2023 Due Q1 2024 Due 2024 Due 2024 Completed December 2023

Financial Summary

ARV was established on 1 October 2022.

As this is the first financial report of the new entity there are no prior period comparatives included in this financial report.

FINANCIAL SUMMARY	15 months ended 31 December 2023
	\$'000
Visitor income	26,239
Site rental & service charges	31,797
Government contributions	11,126
Other income	15,260
Operating expenditure*	70,537
Operating surplus/(deficit) before depreciation and amortisation, interest expenses and other economic flows	13,884
Non-operating transactions	13,688
Comprehensive result	196
Cash inflows from operating activities	12,207
Total assets	549,276
Total liabilities	30,821
Net Assets	518,455

* Operating expenditure excludes financing charges and depreciation / amortisation, and therefore differs from total expenses from transactions on page 51 of the financial statements.

Enable investment that drives sustainable business within a prosperous regional economy

The alpine resorts are iconic tourism destinations that make a significant contribution to Victoria's visitor economy. ARV plays an important role in enabling ongoing investment in the resorts by both the public and private sectors.

ARV works to diversify and develop the tourism experiences and public infrastructure of the resorts utilising investment from State and Federal grants in tandem with its own funds. It also looks to lift resort appeal and market profile to attract commercial investment.

As a land manager, ARV has a role to play in facilitating property administration and planning in support of sustainable development, and also ensuring that the essential services that underpin effective resort operations continue to scale to enable growing demand.

In addition, ARV faces the challenge of ensuring the regulatory frameworks that the organisation operates within supports these objectives, and that external factors are managed or influenced to facilitate any required changes. This is where ARV's role as an advocate and lead voice for the alpine sector is critical.

ECONOMIC SIGNIFICANCE OF THE ALPINE RESORTS

After a competitive tender process, ARV appointed SGS Economics and Planning in 2023 to deliver a study into the economic significance of the Victorian alpine resorts to demonstrate the current value of the sector's economic contribution. SGS has extensive experience in this space, having undertaken similar projects across a variety of sectors.

The study will obtain reliable knowledge about the economic and social significance of the alpine resorts of Mt Buller, Falls Creek, Mt Hotham, Mt Stirling, Mt Baw Baw, and Lake Mountain, specifically to:

- > Quantify the economic activity that is generated by Victoria's alpine resorts, both individually and aggregately, across analysis of both the winter and summer visitation periods.
- > Quantify the regional benefits generated by the alpine resorts in the local government area where they are situated.
- > Identify the broader social, environmental and recreational benefits of the alpine resorts which are not captured through the economic contribution modelling (e.g., recreation value, health benefits, environmental benefits, existence value).

This project re-examines and builds on a study commissioned by the Alpine Resorts Coordinating Council from EY Sweeney in 2017, and will see primary research undertaken across both the winter and summer seasons to consider the broad range of economic benefits provided by Victoria's alpine resorts.

With significant challenges and change experienced in the alpine sector in recent years, this work is critical to obtain current, reliable knowledge to inform future initiatives and investment. This work will be completed in early 2024.

IMPROVED ACCESS TO FUNDING STREAMS

ARV took a lead role in 2023 on advocating for the alpine resorts to become eligible for funding streams that have in the past been available to local government areas but not the Alpine Resort Management Boards.

This advocacy came to fruition in July 2023, when the alpine resorts were recognised in the Federal Government's 'Growing Better Regions' Program and became eligible to apply for up to \$15 million in funding.

The guidelines for eligibility for the \$600 million funding program were revised to include ARV, a change that ARV and the alpine sector had championed for many years in order to drive reinvestment in the alpine industry, which contributes \$1.1 billion to Victoria's GDP.

The Growing Regions Program will invest in critical regional infrastructure and community projects across regional and rural Australia through two \$300 million funding rounds.

SOUTHERN RESORTS OPERATIONS

ARV has been charged with delivering a financially sustainable way forward for the alpine sector. In alignment with this, over the reporting period ARV has had a major focus on both understanding and addressing the long-term operating deficit of the Southern Resorts of Mt Baw Baw and Lake Mountain.

ARV has drawn from its analysis of the operations and finances of each mountain, combined with insights and feedback garnered via staff and the Stakeholder Consultative Committees in these resorts, to amend operations to move Lake Mountain and Mt Baw Baw towards a financially sustainable position.

By the end of 2023, alternative operations were implemented for the 2023–24 green season, significantly reducing costs and introducing efficiencies related to the use of assets and resources.

This work will continue in 2024.



Protect and enhance the mountain environment

Victoria's alpine resorts are surrounded by the Alpine, Yarra Ranges and Baw Baw National Parks, which contains some of Victoria's most spectacular, and fragile, natural country. About one third of Victoria's native plant species, more than half of the terrestrial bird species, and 40 per cent of the State's mammal species are found in the Great Alpine National Park area.

About one third of the State's total rare and threatened species are also found there, including species such as the Mountain Pygmy-possum and Baw Baw Frog. *Biodiversity 2037* provides the policy framework to guide the delivery of on-ground actions to ensure Victoria's biodiversity is healthy, valued and actively cared for. As public land manager ARV, working with our stakeholders, is responsible for managing our resources to contribute to delivering the state-wide targets under *Biodiversity 2037*.

The impacts of climate change on Victoria's biodiversity are already being felt, with alpine species among the most affected. As temperatures continue to rise and rainfall decreases, the suitability of habitat for alpine-dependent species will contract and become increasingly fragmented.

ARV has an opportunity to actively manage 'business-as-usual' activities to contribute to a state-wide target of 100 per cent change in suitable habitat (CSH). 100% CSH is defined as "100% positive change in the outlook for threatened species in 50 years, with co-benefits for non-threatened species, measured across Victoria".

Biodiversity 2037 also seeks to build people's understanding that their personal wellbeing and Victoria's economic wellbeing are dependent on the health of the natural environment. The alpine resorts provide safe, well-managed access to the alpine environment that generates a deep connection through repeat visitation, as well as a broad connection. The alpine resorts will maximise the opportunities that this connection with the natural environment provides by engaging with resort users on matters of environmental importance.

To ensure that this strategic objective is met, ARV will continue the work done by individual resorts and assume a leadership role in supporting alpine communities to adapt to the impacts of climate change and integrate climate change mitigation and adaptation into decision-

making processes across the business. This includes reducing emissions and building resilience to the impacts of climate change.

To this end, the development of the ARV Climate Change strategy will commence in 2024 and will be prepared with input from stakeholders from across the alpine sector.

In the meantime, resorts continue to promote the environmental value of their locations in marketing and PR activities and engage visitors through educational and fun activities that revolve around the unique elements of the environment, particularly in the spring and summer periods.

They also carried out operational activities that support environmental objectives, including pest plant and animal management and control, improving the sustainability of waste management, and the support of research programs in the resorts.

CLIMATE CHANGE METRICS

In line with the Victorian Government's contribution to reaching net-zero emissions for the state by 2045, ARV is required to report on the following climate change metrics identifying greenhouse gas emissions and their sources within ARV organisational boundaries:

- > Electricity consumption and offsets
- > Vehicle fleet by engine/fuel type and vehicle category

Reporting also supports the Whole of Victorian Government emissions reduction pledge. The pledge seeks to reduce greenhouse gas emissions from Victorian government operations. As a newly established organisation, ARV is not currently able to include data for the two prior years but will be collating and reporting this data going forward.

Electricity consumption and offsets

Table 01: Total electricity consumption segmented by source (Megawatt hours) and Total electricity offsets segmented by offset type (Megawatt hours)

Resort	Indicator	1 Oct 2022 – 31 Dec 2023
Lake Mountain	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	595MWh – Nil – 595Mw of electricity by diesel
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	27 MWH – Nil – 27 MWh of solar offset
Falls Creek	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	942MWh – Nil – 595Mw of electricity by diesel
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	15MWh – Nil – 27 MWh of solar offset
Mt Hotham	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	1,082MWh – Nil – Nil
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	Nil – Nil – Nil
Mt Baw Baw	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	Data not available A change in contracting arrangements means an accurate measurement is not available for this period. This is being addressed.
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	
Mt Buller / Mt Stirling	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	2722 MWh – 2722 MWh – 595Mw of electricity by diesel
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	Nil – Nil – Nil

Fleet Composition

Table 02: Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category (Number and percentage)

Vehicle Type	Number	% of vehicle type
Passenger	48	
– Hybrid	1	2%
– ULP	3	6%
– Diesel	44	92%
Plant	44	
– ULP	3	23%
– Diesel	44	77%
Oversnow	54	
– ULP	40	74%
– Diesel	14	26%
Total vehicles	146	100%

Office Accommodation

National Australian Built Environment Rating System (NABERS) Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs (Itemised list):

There were no newly completed or occupied entity-owned office buildings or substantial tenancy fit-outs in the reporting period.

Environmental Highlights



ALPINE TREE FROG

It was exciting news in 2023 that through bioacoustics research, an Alpine Tree Frog was positively identified at Jubilee bog in 2023. With the direction from lead researcher Matt West, (Zoos Victoria) ARV is working on an easier way of identifying the calls, as analysis of the recorded data requires more funding. The bioacoustics project, 'Alpine Frogs a Calling', has been a collaborative effort between Lake Mountain, Museum Victoria and Parks Victoria, culminating in 2023. The project is a frog survey and monitoring project that uses acoustic technology to document presences within Lake Mountain Alpine Resort, Yarra Ranges National Park and Mt Bullfight Nature Conservation Reserve. Whilst Alpine Tree Frogs were abundant at Lake Mountain in the 1960s, the last official record of a sighting was 1993.



ELUSIVE CRUSTACEAN

DEECA researchers looking for the Tubercle Burrowing Crayfish at Mt Baw Baw in 2023 were surprised to instead find the Curve-tailed Burrowing Crayfish, an endangered and understudied native freshwater crayfish. There have only been seven records of the species since 1980 at Mt Baw Baw, and on this occasion the Tubercle Burrowing Crayfish was not found at all. Both are unique species at Baw Baw as this is their easternmost habitat, and Mt Baw Baw resort is working to protect the habitat of these shy creatures from disturbance.



VICTORIAN ALPS NURSERY

ARV's alpine nursery supplied 55,600 alpine and sub-alpine species plants in 2023 for use in important environmental rehabilitation and restoration projects across all our alpine resorts, and areas including Dinner Plain, Mt Buffalo and the Alpine National Parks and NSW's Kosciuszko National Park.

In addition, the nursery secured a contract with North East Catchment Management Authority (CMA), extending the relationship for another 2 years as a preferred supplier of tubestock to support river restoration works.

Other work in 2023 included working with Parks Victoria Mt Buffalo to revegetate the former ski fields at Dingo Dell and Cresta, as well as alpine bogs in the areas that are still recovering after fires.

Demand continues to expand for the nursery's services, and 2023 saw the establishment of a new plant provenance in the nursery, Upper Murray, which supplied DEECA with plants to support fire recovery works at Thowgla Falls and various camping areas in the Narie Valley and Mitta Mitta region.

RESORTS WORK TO SAVE THE MOUNTAIN PYGMY-POSSUM

One of ARV's cutest locals is the critically endangered Mountain Pygmy-possum (*Burramys parvus*), a shy resident that is Australia's only hibernating marsupial. The Mountain Pygmy-possum is the only native mammal that lives in the alpine environment above the treeline, and ARV's resorts host two of only three populations in Australia at Mt Buller and the Mt Bogong high plains at the Mt Hotham and Falls Creek resorts. Many other animals visit this area but the Mountain Pygmy-possum is the only Australian mammal restricted to sub-alpine and alpine environments; the lower limit to the Mountain Pygmy-possum's range is about 1400m above sea level.

ARV plays a vitally important role in the conservation of this species, in partnership with DEECA, Zoos Victoria and researchers. Ongoing protection of the Mountain Pygmy-possum requires an integrated management approach. Through tangible actions – to improve habitat, reduce pest predators and link habitat through tunnels – ARV resorts are optimising the potential for genetically healthy populations of Mountain Pygmy-possums to persist and adapt into the future.

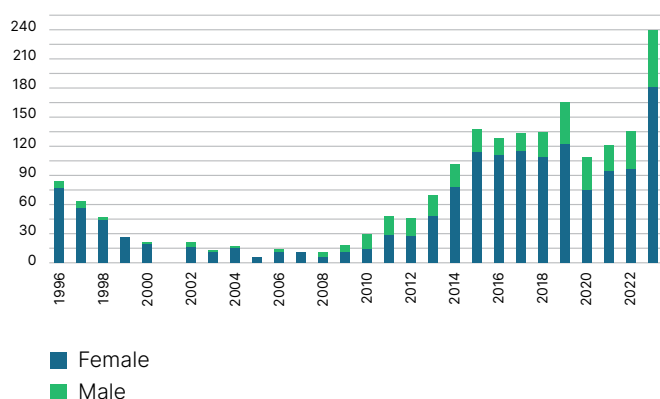
Mt Buller population on the rise

Spring 2023 was a time of excitement for Mountain Pygmy-possum research and monitoring, with the largest ever population numbers recorded for both males and females in the annual survey. This stunning success has been driven by implementation of the site-specific recovery plan for the species at Mt Buller.

Over the past 20 years there has been an enormous amount of work in the Mt Buller and Mt Stirling resort areas to get to this point. In particular the [Mt Buller / Mt Stirling 2020–2024 Recovery Plan](#) was instrumental in the significant 2023 rise in population numbers at the resort, with measures including:

- > revegetation using over 100,000 food and shelter plants to improve habitat;
- > over 10,000 hours of predator control;
- > re-creation of boulderfield habitat and ten connective boulder tunnels to repair fragmentation using 5000 cubic metres of rock;
- > over 4,000 hours of population monitoring; and
- > development and implementation of 10 strategic management sub-plans and revolutionary in-situ genetic rescue.

Table 03:
Increase in Mountain Pygmy-possum numbers at Mt Buller / Mt Stirling since 2008



Mt Hotham's 'Tunnel of Love'

In 2023 Mt Hotham completed a five-year program of work for the North East Catchment Management Authority that was designed to support the Mountain Pygmy-possum. One of the most exciting pieces of work in the program was the installation of the second 'Tunnel of Love' at Mount Little Higginbotham. The tunnel, which runs under the Great Alpine Road, uses microchip readers and remote sensing cameras to track the behaviour of the Mountain Pygmy-possums, especially during breeding season. The tunnel enables the females to safely visit the males in the boulderfield below the Great Alpine Road, protecting them from traffic and reducing encounters with predators.

Monitoring of the Mountain Pygmy-possum at Mount Little Higginbotham during spring of 2023 showed an increase in the number of mountain pygmy possums, with a total of 28 new possums tagged.

Along with ongoing monitoring of the Mount Little Higginbotham tunnel, Mt Hotham undertakes a range of environmental management programs, including monitoring and control of feral predators, which benefits not only the Mountain Pygmy-possums, but also other native reptiles and small mammals.

Weed control is another important activity within the resort, improving Mountain Pygmy-possum habitat and enabling native species to re-establish and provide additional food resources for the possums. This is part of a broader landscape project conducted with other project partners including Parks Victoria and Falls Creek, and funded by the Federal Government.

Over summer 2022–23, Mt Hotham's Environment team also revegetated key foraging species eaten by the Mountain Pygmy-possum, including Alpine Star bush (*Asterolasia trymalioides*) and Native Raspberry (*Rubus parvifolius*), which will provide a food source and also coverage from predators. The success of these native plants is dependent on the control of invasive species, another critical task that is regularly carried out in the resort.

Enhance the visitor experience

Providing excellent services to visitors is an important part of the successful delivery of ARV's strategy, as well as a fundamental part of its mandate under the *Alpine Resorts (Management) Act 1997*. ARV is focused on ensuring that the visitor experience is managed in a way that ensures the right balance of safety and adventure, family friendly and adult-focused opportunities, the new and the familiar.

ARV is also required to provide for the use of alpine resorts in all seasons of the year by persons from different cultural and economic groups. The increase in visitors from culturally and linguistically diverse (CALD) backgrounds enjoying all that the alpine resorts have to offer has been an area of focus for a number of years. This is particularly the case at Lake Mountain and Mt Baw Baw, where the snowplay activities are a big attraction for people from CALD backgrounds. However, even the three biggest resorts (Mt Buller, Falls Creek and Mt Hotham) have experienced a significant increase in CALD visitors and are actively working on accommodating their specific requirements, which vary from the traditional visitor demographics.

In 2023 the ARV resorts continued facilitating incredible winter experiences and worked on growing the offering during spring and summer. The latter was particularly challenging for Falls Creek, which was forced to close during the summer of 2022–23 due to a serious landslide on the Bogong High Plains Road, effectively cutting off the resort to visitors for six months. ARV was able to respond to this crisis and work with stakeholders in support of sustainable businesses and communities.

The 2023 snow season was challenging at all resorts, with fewer days of snowfall and a shorter season. However, collaboration between ARV and skifield operators in managing the snowpack, along with continued advances in snow management and snowmaking, ensured a season that remained viable into early September.

Despite the 2023 snow season opening with no natural snow and finishing two – four weeks early across the resorts (a 22 % reduction in the season efficacy), the resorts only saw an overall 22% reduction in visitors and 19% reduction in visitor days on the record-breaking 2022 winter season. In fact, the later weeks of the season (weeks 8,9,10 and 11) all saw visitation numbers in the 3 major resorts above those of 2022. Total industry visitation numbers were down 24% and visitor days 17%.

NEW VISITOR SERVICES DIGITAL PLATFORM

One of the challenges for visitors to ARV's alpine resorts in winter, particularly those new to the alpine resorts, is the amount of information they need to understand in order to have a safe and enjoyable visit. This ranges from the need to buy a resort entry permit before arriving, to the unique parking requirements; from understanding the impact of the local weather conditions to how to get around the resort villages.

In 2023 ARV successfully secured a \$550,000 grant through the Victorian Government's Visitor Servicing Fund to support the development of a new \$1 million Visitor Services Platform. This was the first grant funding application that the entity had submitted on behalf of all the resorts.

ARV will improve the visitor experience by implementing a 'one stop' digital platform that will streamline resort entry sales and provide real-time insights on weather, roads and car parking conditions. From a single platform guests will be able to make travel plans based on live resort information and book online entry permits for the resort of their choice.

The platform – the first of its kind for Australian alpine tourism – will help guests access the best of every resort and ensure a streamlined visitor experience from planning and research through to their arrival on the mountain. From a resort perspective, by using real-time resort entry sales data the platform will help visitors in dispersing across the Victorian resorts and improve safety with the provision of resort-specific safety information.

FALLS CREEK

In November 2022 three brand new mountain bike trails were opened at Falls Creek, expanding the Falls Creek Mountain Bike Park by 11km to over 50 kilometres of trails. Designed and built by the global leaders in trail design, World Trail, the park's unique features includes a mix of technical, gravity flow and cross-country trails, challenging both the biggest thrill seekers and family friendly beginners. In November 2023 the Ignition MTB Festival saw 1000 riders on each day of the three day event enjoying full access to the trails in the mountain bike park.

The strong return of mountain biking to Falls Creek in late 2023 following the 2022–23 landslide demonstrates the keen interest that the mountain biking community has in alpine MTB destinations that showcase exciting elevations and incomparable alpine scenery. Falls Creek continues to progress as a key mountain biking destination not only in Victoria but within Australia.

MT BULLER

Lack of natural snowfall at Mt Buller during the 2023 season did not deter the visitors, a result of the extensive snowmaking system at Mt Buller that helped keep the season going from opening weekend to mid September. The snowmaking system is enabled by a successful partnership between ARV and Buller Ski Lifts to share snowmaking costs.

Mt Buller's four Snow Factories started operating in April 2023 to stockpile snow for the season opening and continued throughout most of the season, as climatic conditions provided limited opportunities for traditional snow making. The four factories were key in enabling Mt Buller to host the Victorian Interschools Snowsports Championship, where several events were run exclusively on snow factory snow. Unfortunately, this could not be extended to hosting of the National Interschools event, which had to be cancelled due to a lack of snow.

For the snowplay market, the 'pay to slide' model (a ticketed tobogganing system) was in its second year at Mt Buller, having successfully achieved the main aim of addressing the long-standing safety risk of visitors tobogganing within the ski area. Improvements in ticketing and the removal of session times significantly enhanced visitor satisfaction, and one of the four Snow Factories was largely dedicated to the two toboggan parks which guaranteed that at least one park was open for the entirety of the snow season.

LAKE MOUNTAIN

The Cascades mountain bike trail saw impressive visitation for season 2022–23 with nearly 7,000 people on the trail over 8 months. This pristine 28 kilometre alpine flow trail, which cost under \$180,000 to build, is a testament to the power of word-of-mouth in the growing mountain bike (MTB) community. Being only two hours from Melbourne, Lake Mountain provides easy access for day trippers with significant future potential. As part of building this market, the resort instigated a successful collaboration with Peppers Hotel in Marysville to cross-promote through parent company Accor to reach a larger audience.

MT BAW BAW

With a challenging low snow year in 2023, Mt Baw Baw resort focused on flexible product offerings. To ensure high yielding products were available to the visitors on limited snow, a number of new initiatives were made within Mt Baw Baw's snow sports area. All lessons were reduced to 2 hours, a family lesson was added so that all members could ski/ board together, and a shorter end of day lesson was added for this traditionally low period.

In addition, toboggan sessions were increased to four per day to cater for the significant numbers of snowplay visitors. During peak periods a second toboggan area was created at Big Hill Carpet, an area that the resort is activated to ensure the mountain has sufficient tobogganing and snow play capacity, particularly when there is limited snow.

Implement practical policy and regulatory reform

A key part of ARV's role will be leading policy and regulatory reform in line with the Minister's directions, to ensure ARV's strategic and operational activities reflect the current and future needs of the alpine sector. ARV has also assumed a lead role in addressing major challenges impacting the alpine industry, demonstrating the value of acting collaboratively across the resorts and various sectors.

ALPINE LEASING POLICY

Leasing within Alpine Resort Victoria's resorts is governed by the current Alpine Resort Leasing Policy (2002), which is more than 20 years old and due for review to incorporate contemporary approaches to leasing in the alpine resorts. The former Alpine Resorts Coordinating Council (ARCC) commenced work on reviewing the Alpine Resorts Leasing Policy in 2019, including a survey of approximately 400 stakeholders.

With the establishment of ARV, it was determined that ARV and the Department of Energy, Environment & Climate Action (DEECA) would jointly deliver this review with the objective of providing principle-level guidance on the Government's desired outcomes from alpine leasing. The planning for this work commenced in 2023.

The principles of the current Alpine Resort Leasing Policy are predominantly procedural, so part of the review's objectives will be to additionally reflect the principles of the Leasing Policy for Victorian Crown Land (2023) as follows:

- > Provide benefits to the public through leasing;
- > Consistency and transparency in leasing; and
- > Ecologically sustainable lease management.

The revised policy will be developed in line with the *Alpine Resorts (Management) Act 1997* and the Letter of Expectations, including a focus on stakeholder engagement in the process.

RESORT STAKEHOLDER CONSULTATIVE COMMITTEES

Under the *Alpine Resorts (Management) Act 1997*, a key early objective for ARV was the establishment of a stakeholder consultative committee (SCC) for each alpine resort. The function of each SCC is to provide ARV with a forum for gathering the opinions and response of the community of that resort about matters relating to the promotion, operation, management, development and use of the resort; strategic matters affecting alpine resorts and surrounding communities; the development of the alpine resorts strategic plan; and matters relating to contributions fixed under section 13 of the Act and fees.

Further, the SCCs are a valuable mechanism for deeper engagement with resort stakeholders, enabling them to have input into decisions that impact them.

Following its establishment in 2022, ARV invited nominations from stakeholders associated with the resorts to participate in the SCCs, with the aim of ensuring broad representation of resort partners and key user groups. Representatives serve on the committees for a period of two years, with the committees required to meet at least six times per year.

While ARV was given 12 months to establish these SCCs, it did so within 2 months of commencing operations to reflect its commitment to strong and transparent stakeholder engagement. SCCs across the resorts held their inaugural meetings prior to the end of 2022.

During 2023, the SCCs provided an invaluable forum for engagement on key strategic initiatives impacting stakeholders now and into the future, including:

- > Consideration of potential future operating models for the southern resorts of Mt Baw Baw and Lake Mountain to bring them back to financial sustainability in the face of current debt and vulnerability to the impacts of climate change
- > the bushfire insurance strategy review led by ARV and KPMG, including the deliberation of options presented by KPMG
- > presentation of the budget principles developed by ARV to guide the development of the inaugural 2024 ARV budget. The 2024 ARV budget was also developed with input from stakeholders via the SCCs.

The SCCs have proven to be an effective way of facilitating timely and meaningful engagement with a stakeholder community that is impacted by ARV's operations and activities, and keen to be actively involved in shaping the future of the alpine sector.

BUSHFIRE INSURANCE STRATEGY

Head lessees across the alpine resorts have for a number of years been experiencing increasing challenges in securing bushfire insurance, which places properties at risk in the event of a bushfire. The availability of insurance is impacted by global events where a greater exposure to natural catastrophes – including bushfires, floods and storm events – has resulted in insurers increasing prices and, in some cases, withdrawing from offering products where the risk is deemed too high.

After a competitive tender process, in 2023 ARV appointed KPMG to deliver a Bushfire Insurance Strategy. In the first phase of the project, KPMG gathered and reviewed existing data, including connecting with the alpine resorts to better understand the current situation and identify any relevant work that could feed into the analysis. A Project Working Group of stakeholders was also established.

KPMG presented their preferred recommendation and associated implementation plan to the Project Working Group and the Stakeholder Consultative Committees in late 2023, and 2024 will see further engagement with the Victorian Government on the recommended approach.

MEDICAL SERVICES MODEL REVIEW

During the winter season, access to an in-resort medical service is critical for guests, but it presents challenges for businesses that fulfil this service. This has seen some turnover in service providers in some resorts. On advice from the Department of Health, in 2023 ARV issued a Request For Quotation seeking an appropriate consultant to develop a strategy and framework for a financially sustainable medical service model for Mt Buller, Mt Hotham, and Falls Creek.

Following a competitive evaluation process, ARV appointed Aspex Consulting to complete this work, which will involve a comprehensive review of current service offerings, models and presentation data, and inform recommendations on suitable models and clear plan for implementation. This work will continue in 2024.

Enhance organisational excellence and sustainability

Organisational capability was a key focus for ARV in the reporting period, with the design and implementation of a new organisational structure prior to the 2023 winter season a key deliverable for the new CEO and the Board. The new structure would have to accommodate current operations and service delivery as well as provide a sustainable organisation that anticipated future requirements and changes.

ARV ORGANISATIONAL DESIGN AND IMPLEMENTATION

To enable ARV to realise its strategic objectives and best position the six alpine resorts to act collectively, a new organisational structure was required.

In developing a new organisational structure, consideration was given to where certain services could be centralised to minimise duplication and deliver standardisation across the resorts, along with where a strategic all-resorts lens can add value to on-the-ground efforts. Within this context, a model was developed that saw a number of activities centralised under two new central departments:

- > **Corporate Services:** overseeing all elements that underpin the successful administration of ARV. This includes finance, human resources, information and communication technology, and risk and safety.
- > **Assets, Land Management and Strategic Development:** encompassing key strategic functions and legislated deliverables. This includes functions like property, statutory planning, strategic asset management, environmental sustainability, economic development, traditional owner partnerships and stakeholder engagement.

Central positions within these departments were primarily filled with existing resort staff appointed via a competitive internal recruitment process. In many instances, these positions were filled by staff whose resort-specific roles no longer existed within the new structure. The new General Managers of each of these departments were found via an external recruitment process.

The operational responsibilities of the resorts remained largely unchanged, with each resort led by a resort General Manager who reports directly to the CEO. This ensured the appropriate level of seniority at each of the resorts, and a reporting line that allowed for the CEO to be engaged with resort-specific matters.

Implementation of the new model was completed prior to winter 2023, with resort staff transitioned into central roles ahead of winter 2023. Transition arrangements accommodated the needs of the resorts where staff were leaving, including consideration of current workloads to minimise resource gaps on the approach to winter, which for some roles meant a phased transition.

BUILDING A CONSTRUCTIVE CULTURE AND LEADERSHIP CAPABILITY

To develop a cohesive and constructive culture, ARV is focused on creating a 'one team, one dream' mentality. This has been a key focus of the CEO and the executive team throughout the reporting period. Leaning on the individual strengths of the former ARMBs and utilising these to fill gaps across the organisation has helped to improve the collaborative culture of ARV where the positive impacts of each resort are being utilised in one cohesive approach. This has included the development of ARV wide programs, policies and procedures.

Consultation has been a key driver of a constructive culture. Utilising feedback loops of employee surveys to understand the pulse of the organisation and utilise this information to develop the foundational programs, policies and procedures of ARV. Obtaining a deep understanding of the organisation's culture and building a key set of values that really

speaks to true heart of ARV and its staff has been a crucial focus of the executive and People & Culture teams. In Q4 of 2023, the Cultural Values project commenced, consulting with the staff through surveys and a workshop held during the ARV Staff Summit in December 2023. The information obtained will help to develop the organisation's values to live by as well as the ARV Code of Conduct.

Another key element of creating a cohesive culture has been the amalgamation of the four former ARMB Enterprise Agreements into one ARV Enterprise Agreement. This piece of work has been a positive and constructive project bringing together management, staff and the AWU to create one Enterprise Agreement that speaks to the culture that ARV is currently building. The Enterprise Agreement is anticipated to be finalised in 2024. One Enterprise Agreement will ensure parity across the six resorts and create stability and clarity of employment conditions and expectations, fostering a harmonious work environment.

To further support this, during 2023 ARV combined all former Human Resource Information Systems (HRIS) onto one platform, Employment Hero. This platform will allow coordinated roll out of P&C programs to all staff in 2024, including Performance Review and Development Plans, Learning & Development, Onboarding and Offboarding, Talent Acquisition, Career Pathways and Succession Planning.

TRADITIONAL OWNER PARTNERSHIP AND ENGAGEMENT

The alpine country within Victoria is part of an Aboriginal cultural landscape. ARV is committed to supporting self-determination and to partnering with Traditional Owners in the management of the resorts, and in matters of policy development, planning, and decision-making where and when the Traditional Owners determine that aligns with their objectives and priorities.

In 2023, ARV commenced working with Traditional Owners to understand and embed their priorities and objectives for Country in alpine strategies, policies, and programs. This was supported by the formation of the First Nations and Stakeholder Engagement subcommittee, which is a key forum for addressing opportunities and challenges in this area. To further develop Traditional Owner partnerships, discussions commenced with Traditional Owner representatives on ARV's Traditional Owner Engagement and Self-Determination Strategy, which will be delivered in 2024.

ARV-WIDE ASSET MANAGEMENT

ARV is now responsible for a significant asset base, however there is a different level of maturity across the resorts relative to the management, investment and planning of these assets.

In 2023 an ARV-wide asset management function under the Head of Assets Portfolio Management was established as part of the new organisational structure, with the objective of supporting ARV's assets and developing the organisation's long term asset management strategy. The function will support resort-level Asset Category Plans and develop operational guidelines to maximise the efficiency and effectiveness of existing ARV assets. Asset condition assessments commenced in 2023 and will inform the asset management strategy.

ARV's priority over time is to move towards each resort being able to independently fund the renewal of their asset base, with surplus funds committed to an ARV Capital Investment Fund designed to support investment into new assets and initiatives across the portfolio.

In addition, a Project Management Office (PMO) Manager was appointed in 2023 to establish the ARV project management framework and provide support for key ARV central projects. The PMO will be a critical resource for project managers across ARV and will be pivotal in raising organisational capability in this area.

Organisational Structure



Nature and scope of ARV'S activities

The functions of Alpine Resorts Victoria are:

- (a) to manage each alpine resort in accordance with the object of this Act and alpine resorts principles; and
- (b) to develop the alpine resorts strategic plan; and
- (c) to undertake other strategic planning that Alpine Resorts Victoria considers necessary to plan for the development, promotion, management and improvement of alpine resorts in accordance with the object of this Act and the alpine resorts principles; and
- (d) to provide strategic tourism activities and marketing, taking into consideration the needs of each alpine resort; and
- (e) to expend or apply revenue of Alpine Resorts Victoria; and
- (f) to act as a committee of management of any Crown land as provided for in section 4; and
- (g) to arrange for the provision of services for each alpine resort as Alpine Resorts Victoria deems necessary, including but not limited to the following—
 - i. waste disposal, including the provision of municipal recycling services, municipal residual waste services, and municipal food organics and garden organics services, within the meaning of the *Circular Economy (Waste Reduction and Recycling) Act 2021*, in accordance with the provisions of that Act or any other Act;
 - ii. water supply;
 - iii. gas;
 - iv. drainage;
 - v. sewerage;
 - vi. electricity;
 - vii. roads;
 - viii. fire protection;
 - ix. snowmaking;
 - x. ski patrols;
 - xi. transport; and
- (h) in accordance with section 13, to charge contributions for the services provided under paragraph (g); and
- (i) to determine and collect fees for each alpine resort in accordance with the regulations; and
- (j) to attract investment for the improvement of each alpine resort; and
- (k) to advise the Minister on matters relating to these functions or powers or on any other matter referred to Alpine Resorts Victoria by the Minister; and
- (l) to liaise with and encourage the co-operation of all State and local government authorities, industries, communities and other persons involved in the development, promotion, management and use of alpine resorts; and
- (m) to carry out any other function conferred on Alpine Resorts Victoria by or under this or any other Act.

In relation to Mount Stirling Alpine Resort, Alpine Resorts Victoria must exercise its functions subject to the following principles:

- (a) that the resort must be planned for, developed, promoted and managed as a nature-based tourist, recreational and educational resource for all seasons of the year; and
- (b) that there are not to be any ski lifts in the resort.

BOARD MEMBERS AND ATTENDANCE

ARV's management structure at the establishment of the organisation on 1 October 2022 comprised an independent nine member, skills-based Board appointed by the Hon Lily D'Ambrosio, Minister for Energy, Environment and Climate Action.

Board members were selected based on their skills, qualifications, knowledge and experience in relation to:

- (a) alpine environments, activities and tourism; and
- (b) financial management, commercial acumen or economic development; and
- (c) natural resources management; and
- (d) cultural knowledge and authority arising from experience as a traditional owner of land in alpine resorts; and
- (e) environmental conservation; and
- (f) public administration or governance.

Governance

ARV had four subcommittees in 2023 to ensure sound governance and enable focus on strategic priorities of the organisation.

Finance, Risk and Audit Committee (FRAC)
Helen Moran (Chair)
Peter Anderson (Dept. Chair)
Julia Hunter
Ali Wastie

Strategic Planning, Asset Management & Commercial Operations Committee (SPAMCO)
Peter Anderson (Chair)
Michael Monester (Dept. Chair)
Helen Moran
Nadia Jaworski

First Nations / Stakeholder Engagement Committee (FNSEC)
Daniel Miller (Chair)
Kaley Nicholson (Dept. Chair)
Natalie Ajay
Michael Monester

Strategic Planning, Asset Management & Commercial Operations Committee (SPAMCO)
Julia Hunter (Chair)
Nadia Jaworski (Dept. Chair)
Kaley Nicholson
Ali Wastie

Board meeting attendance

No	Meeting	Ali Wastie	Helen Moran	Natalie Ajay	Nadia Jaworski	Daniel Miller	Michael Monester	Peter Anderson	Julia Hunter	Kaley Nicholson
1	01 Oct 22	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	17 Oct 22	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	11 Nov 22	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	12 Dec 22	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	17 Feb 23	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	20 Mar 23	✓	✓	✓	✓	✓	✓	x	✓	✓
7	21 Apr 23	✓	✓	✓	✓	✓	✓	✓	x	x
8	19 Jun 23	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	21 Jul 23	✓	✓	✓	✓	x	✓	✓	✓	✓
10	21 Aug 23	✓	✓	✓	✓	✓	✓	x	✓	✓
11	22 Sep 23	✓	✓	✓	✓	✓	✓	✓	✓	x
12	13 Nov 23	✓	✓	✓	x	✓	✓	✓	✓	✓
13	15 Dec 23	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Total	13	13	13	12	12	13	11	12	11

Governance

Finance, Risk and Audit Committee

Meeting	Board member			
	Helen Moran (Chair)	Peter Anderson (Deputy Chair)	Julia Hunter	Ali Wastie
02 Feb 23	✓	✓	✓	✓
06 Apr 23	✓	✓	✓	✓
08 Jun 23	✓	✓	✓	✓
03 Aug 23	✓	✓	✓	✓
12 Oct 23	✓	x	✓	✓
07 Dec 23	✓	✓	✓	✓
Total	6	5	6	6

People and Culture Workplace Matters Committee

Meeting	Board member			
	Julia Hunter (Chair)	Nadia Jaworski (Deputy Chair)	Ali Wastie	Kaley Nicholson
28 Oct 22	✓	✓	✓	✓
30 Nov 22	✓	✓	✓	✓
02 Mar 23	✓	✓	x	✓
06 Jul 23	✓	✓	✓	✓
13 Sep 23	✓	✓	✓	✓
16 Nov 23	✓	✓	x	x
Total	6	6	4	5

Strategic Planning, Asset Management and Commercial Operations Committee

Meeting	Board member			
	Peter Anderson (Chair)	Michael Monester (Deputy Chair)	Helen Moran	Nadia Jaworski
02 Mar 23	✓	✓	✓	✓
04 May 23	✓	✓	✓	✓
06 Jul 23	✓	✓	✓	✓
07 Sep 23	✓	✓	✓	x
16 Nov 23	✓	✓	✓	✓
Total	5	5	5	4

First Nations and Strategic Engagement Committee

Meeting	Board member			
	Daniel Miller (Chair)	Kaley Nicholson (Deputy Chair)	Natalie Ajay	Michael Monester
02 Feb 23	✓	✓	✓	✓
06 Apr 23	✓	✓	✓	✓
28 Aug 23	✓	✓	✓	✓
19 Oct 23	✓	✓	✓	✓
Total	4	4	4	4

Governance

ALI WASTIE

Chair



Ali has broad experience across the Arts, Education and Public Service and Local Government. She has held the position of Chief Executive Officer at the city of Greater Geelong since August 2023 and prior to that was Chief Executive Officer at Bass Coast Shire Council. She is an accredited executive coach, mediator and alumnus of the Australian Institute of Company Directors (AICD).

Ali holds a Master of Diplomacy and Trade, a Graduate Diploma of Secondary Education, a Bachelor of Arts and is a graduate of the AICD course. She is a current Board member of the Royal Melbourne Showgrounds Joint Venture.

Ali is an accomplished media presenter and is a sought-after public speaker. In 2019 she was named one of IPAA Victoria's top 50 Public Sector Women in the established category. She is passionate about developing high performing teams and creating a workplace culture that is innovative, empowered, strategic, trusting and fun.

Ali is a skier having spent many snow seasons at Mount Baw Baw as a child. She enjoys travel and going to watch North Melbourne Football Club with her family.

HELEN MORAN

Deputy Chair



Helen has extensive experience across the tourism and alpine sector. She previously held executive roles with Merlin Entertainments Group including Director – Business Development and Skifields which encompassed Mt Hotham and Falls Creek as well as Treetop Walks in the Otway and Illawarra regions.

In her capacity as Merlin's Head of Victoria – ANZ Midway Division Helen also was responsible for Sealife Melbourne Aquarium and was involved in the development of the Lego Discovery Centre at Chadstone. Before this, Helen was general manager at Australian Alpine Enterprises and the Mount Hotham Skiing Company.

Helen is a graduate of AICD and has completed courses in senior executive management.

Helen has previously been a board member of Visit Victoria, Alpine Resorts Tourism, Australian Ski Areas Association and a former Chair of the Alpine Resorts Industry Advisory Group as well as former director of the Falls Creek, Mt Buller and Mt Stirling, and Mt Hotham alpine resort management boards.

Helen is an outdoor enthusiast and is a resident of Victoria's alpine region. She is passionate about sustainable environmental practices so that future generations can enjoy the diversity that the region offers.

DANIEL MILLER



Daniel has extensive experience in state and local governments and Traditional Owner organisations of land in alpine resorts. He is currently Chief Executive Officer of the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC), which has Registered Aboriginal Party status in Mt Hotham and Mt Baw Baw alpine resorts. He was previously General Manager – On Country and has held positions with Wellington Shire Council and with the Department of Primary Industries.

Daniel holds a Bachelor of Organisational Leadership and an Advanced Diploma of Land Management. He is also a current member of Gippsland Regional Partnership.

Daniel is a Jerringa Yuin man, a First Nations group from the south coast of New South Wales, and is passionate about the Victorian and NSW High Country. This passion comes from a lifetime of visiting, living and working across some particularly remote areas of the mountains. Daniel's current role as CEO with GLaWAC has supported him in encouraging new ways of managing Country with more opportunities for Traditional Owners and young Aboriginal people to be involved.

Governance

JULIA HUNTER



Julia has broad experience across sustainability, environmental management, marketing and stakeholder engagement. She is currently the General Manager – Mobility at RACV, leading RACV's work in helping Victorians get around sustainably, conveniently and affordably, after previously holding the position of Manager of Strategic Partnerships & Growth in Mobility.

Previously, she has held leadership roles across tourism, banking and retail including the Global Head of Environmental Sustainability for ANZ Banking Group, Director of Corporate Responsibility for InterContinental Hotels Group and General Manager Marketing for Aussie Farmers Direct. Julia has qualifications in Marketing, Management and Environmental Management.

Julia is a member of the AICD, has previously served as a Board Member on the Mt Hotham Alpine Resort Management Board and Alpine Resorts Co-ordinating Council and is a current Board Member for the Natural Resources Conservation Trust of Victoria.

Julia is an outdoor enthusiast enjoying cycling, skiing, hiking and running, and is a regular visitor to Victoria's alpine region.

KALEY NICHOLSON



Kaley is a Taungurung woman, a First Nations group which has Registered Aboriginal Party status in Mt Hotham, Mt Buller, Mt Stirling and Lake Mountain alpine resorts. She is the co-founder and Director of Yilam Pty Ltd and current Chair of the Taungurung Land and Waters Council. She has extensive experience in policy reform working with the Department of Justice and Community Service as well as City of Greater Geelong.

Kaley holds a Bachelor of Arts (Politics and Policy, Sociology), has completed a Public Policy and Community Development Course, and holds a Certificate IV in Frontline Management and Certificate III in Business.

Kaley is passionate about caring for Country, entrepreneurship, employment, and education – seeing these pillars as the key to strengthening the rights, position and outcomes of First Nations People. To support this Kaley takes a consultative approach, ensuring that Elders are respected and elevated in decision making, that young people are empowered and have a voice, and that there are opportunities in place for future generations.

A keen camper, Kaley takes every opportunity she can to spend time in the Victorian High Country. Kaley has a strong connection to Country and is raising two daughters to be proud and strong in culture. She is passionate about teaching others Aboriginal philosophies for connecting to the land and is committed to creating space for all people, seeing this as key to ensuring that more people share in the responsibility of caring for Country.

NADIA JAWORSKI



Nadia has extensive experience across government social infrastructure including health, education and housing, with a focus on community building. She is currently a Partner at Maverick Advisors, and previously was Partner, Integrated Infrastructure, at PricewaterhouseCoopers. She has also held roles in the Department of Education and Training and Department of Human Services.

Nadia holds a Master of Commerce, a Bachelor of Applied Science and a Diploma in Property Development.

Nadia is currently a non-executive director of Housing First Limited, a not-for-profit organisation offering social and affordable housing.

Nadia is passionate about connecting with the outdoors and enjoys visiting Victoria's alpine region both for skiing in winter and general spring/summertime leisure activities.

Governance

MICHAEL MONESTER



Michael has extensive experience in the alpine industry holding leadership positions in alpine companies within Australian, the United States of America and Canada. He is the former General Counsel and General Manager, Corporate Strategy for the Grollo Group, as well as Executive Director of Australian Ski Areas Association.

Michael holds a Bachelor of Law, a Bachelor of Jurisprudence and is a graduate and Fellow of the AICD.

Michael is currently Chairman of VTMB Properties Pty Ltd and a director of Bank First, past Chairman of the National Alpine Museum of Australia and was previously a member of Mt Buller and Mt Stirling Alpine Resort Management Board. Michael is passionate about alpine activities as a skier, patroller, mountaineer and mentor to alpine and corporate leaders. He has a resort management background in Canada, USA and Australia and subsequently consulted to resorts in Australia and overseas.

He spends his free time skiing, camping and hiking in alpine areas and outback Australia.

NATALIE AJAY



Natalie has broad experience across marketing, communications, and engagement. She is a strategic consultant, with a range of previous executive leadership roles including Director, Communications and Engagement at GOTAFE, and Executive Officer for Winemakers of Rutherglen.

Natalie holds a Bachelor of Commerce, is a graduate of the Alpine Valleys Community Leadership Program and of the Australian Institute of Company Director's course. She is also a Board Director and the Company Secretary of Murray Regional Tourism.

Natalie is a passionate motorsport and automotive enthusiast and enjoys taking friends and family for scenic drives up to Victoria's incredible Alpine region. Natalie is also a strong advocate (and consumer) of the exceptional food and wine from Victoria's high country and has great interest in playing a role in climate and environmental management to secure the unique Alpine environment for the next generation.

PETER ANDERSON



Peter has a lifetime of experience and leadership across the transport and logistics sector. He is currently the Chief Executive Officer of the Victorian Transport Association and the Victorian Waste Management Association with previous roles in The Scott Group of Companies, Border Express and Ansett Freight Express.

Peter holds a Diploma of Financial Management, a Certificate in Supply Chain Management and is a graduate of the AICD and the Australian Institute of Superannuation Trustees.

Peter is currently the Chair of the Transport Industry Council and the Victorian Food Relief Taskforce, a director of TWUSUPER Fund and National Secretary and Treasurer of the Australian Road Transport Industrial Organisation.

Peter is passionate about ensuring that alpine communities continue to grow in their resilience, capacity, awareness and acceptance of cultural and environmental diversity. He is motivated to creating a strategic, coordinated approach to resort management focused on the longer-term interests of the sector as a whole, while maintaining, leveraging and enhancing the unique characteristics of each resort for the benefit of their visitors, partners and stakeholders.

A passionate skier, keen yachtsman and golfer, he is well supported by his wife of nearly 40 years and two grown children.

Governance

LOCAL JOBS FIRST ACT 2003

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

ARV's locations in regional Victoria means the organisation is required to apply the Local Job First policy in all projects valued at \$1 million or more. In the 15 month reporting period, 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

ARV is fully committed to supporting the Victorian Government's directions under the Social Procurement Framework (SPF) and recognises that it plays a key role in advancing social and sustainable outcomes for Victorians.

In 2023 ARV commenced the development of a Social Procurement Strategy (the Strategy) to enable a strategic approach to delivering social and sustainable outcomes through procurement in accordance with the SPF and beyond.

FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by ARV. 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 no FOI requests were 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.

ARV Freedom of Information Officer
Melanie Kay
General Manager, Corporate Services
Alpine Resorts Victoria
19 Highett St
Mansfield Victoria 3722

COMPETITIVE NEUTRALITY POLICY

Competitive neutrality is a guiding principle of the Competitive Neutrality Policy and requires that ARV should compete with private sector businesses on the same footing. ARV 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. ARV 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 ARV 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. ARV is not able to receive public interest disclosures. ARV resorts have 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. ARV resort procedures are available on the resort corporate websites and an ARV-wide procedure is currently being developed.

Independent Broad-based Anti-corruption Commission Victoria

Level 1, North Tower
459 Collins Street
Melbourne Victoria 3000

GPO Box 24234
Melbourne Victoria 3001
www.ibac.vic.gov.au
1300 735 135

Governance

EMERGENCY PROCUREMENT

No emergency procurement was carried out in the reporting year.

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 underwent an Assessment and Rating Audit in 2023. This resulted in the centre receiving a rating of 'Meeting', meaning that Falls Creek Child Care "provides quality education and care in all the 7 quality areas of the National Quality Standards for Early Childhood Education and Care".

In the years since 2020, the service has been impacted by a bushfire, pandemic, landslide, and change of Approved Provider due to the ARV transition. Not only has the team successfully navigated each event, but they have maintained an essential service for the families and staff in the local area by providing a safe, welcoming place of community and learning.

This rating reflects the hard work of the leadership and educational teams in maintaining compliance, providing best practice care and educational opportunities, and participating in an ongoing continuous improvement process to further develop and better the service for the benefit of the children, families, and Falls Creek community.

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*

CAPITAL PROJECTS

ARV undertook no capital projects exceeding the disclosure threshold of \$10 million in 2023.

GOVERNMENT ADVERTISING EXPENDITURE

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

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
- > 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.

The contact person for information requests is:

Melanie Kay
General Manager, Corporate Services
Alpine Resorts Victoria
19 Highett St
Mansfield Victoria 3722

Governance

ICT EXPENDITURE TYPE

	2023 \$
ICT business as usual (BAU) expenditure	881,399
<i>ICT non-BAU expenditure</i>	
– Operational expenditure	188,985
– Capital expenditure	-
Total	1,070,385

CONSULTANCY EXPENDITURE

Individual consultancies valued at \$10,000 or greater

During the reporting period, there were nine consultancies engaged where the total fee payable to the consultant was \$10,000 or greater. The total expenditure incurred during the period was \$408,956.

<i>Consultant</i>	<i>Purpose of consultancy</i>	<i>Total approved project fee</i> \$	<i>Expenditure for the 15 mth period to 31 Dec 2023</i> \$	<i>Future expenditure committed</i> \$
Votar Partners	ICT Strategy	48,100	3,700	44,400
Aspex Consulting	Medical Services Model Review	55,562	55,562	-
KPMG	Bushfire Insurance Strategy	85,000	85,000	-
SGS Economics and Planning	Economic Impact Study	143,688	143,688	-
Hunt and Rose	Cultural Values	28,000	28,000	-
Arup Consultants	Industry advice	18,000	18,000	-
RSM Australia	Probity advice	18,126	18,126	-
Cupla Pty Ltd	Brand development advice	25,880	25,880	-
Cube Group Management Consulting	Stakeholder engagement advice	31,000	31,000	-

Individual consultancies valued at less than \$10,000

During the reporting period, there were various consultancies engaged where the total fee payable to the consultant was less than \$10,000. The total expenditure incurred during the period was \$243,000.

Governance

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.

ARV complies with the strict data and information obligations required under this Act.

COMPLIANCE WITH BUILDING ACT 1993

Under the *Building Act 1993* s212, ARV has a legislative obligation to administer the provisions of the Act, the Building Regulations 2018 and the Building Code of Australia within its area of jurisdiction. These services are carried out by Three Peaks Building Consultants, for Falls Creek and Mt Hotham and BSGM Essential Safety, for Mt Buller, Mt Stirling, Lake Mountain and Mt Baw Baw, to fulfil the role of Municipal Building Surveyor and undertake legislated responsibilities on behalf of ARV.

ARV owns or controls government buildings located throughout the six resorts and in Bright, Merrijig and Mansfield. ARV is required to include a statement on its compliance with the building and maintenance provisions of the *Building Act 1993* in relation to those buildings.

ARV requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by the ARV and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*, Building Regulations 2018 and the National Construction Code.

In relation to existing buildings, ARV is responsible for ensuring mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and monthly and annual fire service audits.

This reporting period saw no significant changes to any ARV-owned or controlled buildings. All buildings continue to comply with the *Building Act 1993*.

COMPLIANCE WITH THE DISABILITY ACT 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

Alpine Resorts Victoria is working to comply with its obligations under the Disability Act to prepare a Disability Action Plan for the purpose of reducing barriers to access goods, services and facilities; reducing barriers to a person with a disability obtaining and maintaining employment; and promoting inclusion and participation in the community and achieving tangible changes in attitudes and practices that discriminate against people with a disability as outlined below.

Reducing barriers to accessing goods, services and facilities

- > Wheelchair access ramp and compliant toilets added to Panabode Day Shelter at Falls Creek
- > Alpine Gateway now has wheelchair accessible facilities at Mt Hotham and direct access to the slopes for winter sports enthusiasts with disabilities.
- > Updated Registered Assistance Animals policy make it easier and consistent across all resorts for those visiting with Assistance Animals.
- > FY25 facilities planned include Lakeside Precinct which includes a Changing Places compliant facility for highly disabled users (first in the alpine areas) and the Wire Plain Snow play Hub includes compliant disabled access to these facilities

Reducing barriers to persons with a disability obtaining and maintaining employment

- > Alpine Resorts Victoria values and respects its team members with disabilities, providing them with equal opportunities to succeed in their roles.
- > We adapt to the changing needs and circumstances of our team members and applicants with disabilities. Offering our staff flexible work arrangements, reasonable adjustments, and learning and development opportunities.
- > Alpine Resorts Victoria fosters a culture of diversity and inclusion by applying substantive equality principles in its policies and practices for employees and candidates.

As required by the Disability Act, ARV will report annually on the implementation of its Disability Action Plan in its annual report.

Governance

ARV ASSET MANAGEMENT SYSTEM

Public entities subscribe to the Victorian Government's Asset Management Accountability Framework (AMAF). ARV maintained its maturity assessment levels at the end of 2023 in accordance with the Standing Directions and the AMAF. Overall, ARV has met the AMAF conditions and has a key focus on improving performance across all resorts in the coming 12 months.

OCCUPATIONAL HEALTH AND SAFETY

Since the establishment of ARV, and during the reporting period, significant work has been conducted to assess the maturity of Occupational Health and Safety processes across all resorts. Significant differences in OHS literacy, culture, systems and processes across the resorts are evident, with some resorts being more advanced than others. During the reporting period, the following actions were carried out to help standardise and strengthen OHS systems and culture:

- > Development of an ARV OHS Policy, as well as other safety related policy and procedures.
- > Implementation of essential safety actions as required.
- > A review of incident reporting and management process from the perspective of both ARV staff, workforce participants and member of the public, which will be supported by the implementation of a new Incident Management System in 2024.
- > Allocation of dedicated OHS Coordinator roles across all Resorts with recruitment into most positions.
- > Standardised reporting of OHS performance indicators and other risks to the FRAC meetings (see table page 43).
- > Establishment of strategic safety meetings to share experiences and draw on the expertise across all resort.
- > A peer review process to share safety knowledge between ski patrol teams.
- > Initiation of a review to make OHS Committees and HSR allocation process more structured and consistent across resorts.

Work will continue into 2024 to support ARV's dedication to improved regularity compliance and overall process to ensure public and staff safety.

Governance

ARV OHS PERFORMANCE INDICTORS FOR 1 OCT 2022 – 31 DEC 2023

	Reporting Period (N)					
ARV Performance Indicators	Mt Hotham	Falls Creek	Mt Baw Baw	Lake Mountain	Mt Buller / Mt Stirling	ARV Total
Total incidents reported	22	32	40	11	47	152
Rate per 100 FTE						43
Incidents resulting in injury	16	15	34	8	5	78
Rate per 100 FTE						22
Staff Incidents resulting in injury	16	12	9	6	5	48
Rate per 100 FTE						6
Number of WorkCover standard claims	2	2	4	1	0	9
Rate per 100 FTE						2.5
WorkSafe reportable incidents	1	0	0	0	1	2
Rate per 100 FTE						0.5
Lost time Injuries	2	2	4	1	1	10
Rate per 100 FTE						3
Number of lost time claims	2	2	2	0	1	7
Rate per 100 FTE						2
Number of claims exceeding 13 weeks	0	1	0	1	0	2
Rate per 100 FTE						0.5
Days Lost	8	10	58.9	106	12.6	195.5
Percentage of RTW plan <30 days (for example 100%, 50%)	100%	60%	N/A	N/A	0%	
Average Cost Per Claim**	\$8,337	\$7,434	\$12,996	\$113,905	\$11,166	\$20,215.90
Harm rating (as per action plans)	# of incidents resulting in NO harm = 3	# of incidents resulting in NO harm = 14	# of incidents resulting in NO harm = 6	# of incidents resulting in NO harm = 3	# of incidents resulting in NO harm = 42	68
	# of incidents resulting in harm = 18	# of incidents resulting in harm = 16	# of incidents resulting in harm = 34	# of incidents resulting in harm = 8	# of incidents resulting in harm = 5	81
No of improvement notices issued by WorkSafe	0	0	0	0	2	2
No HSR provisional notices	2	0	0	0	0	2
OHS Committees held in accordance with schedule for the period (for example 100%, 50%, N/A)	100%	100%	N/A**	N/A**	92%	
No of Internal Audits commissioned	1	1	1	1	1	1

* Data provided by Allianz, indicative only due to potential cross over into 2023/2024 financial year.

** OHS Committees were not established at Lake Mountain and Mt Baw Baw during this reporting period.

Governance

WORKFORCE DATA

		Ongoing		Fixed-term/ Seasonal		Casual	
	Total Staff	Full-time	Part-time	Full-time	Part-time	Casual	Total FTE
Gender							
Men	222	59	2	12	1	148	181.78
Women	204	49	21	8	1	125	164.01
Not specified	12	7	1	-	-	4	10.7
	438	115	24	20	2	277	356.49
Age							
15-24	72	10	1	-	1	60	60.35
25-34	143	26	2	10	-	202	118.83
35-44	62	30	7	2	1	22	53.52
45-54	73	26	2	5	-	40	56.52
55-64	62	19	5	3	-	35	48.72
65+	26	4	3	-	-	19	18.55
	438	115	24	20	2	277	356.49
Band/Salary Range*							
\$42,000-49,999	118	-	-	1	1	116	92.29
\$50,000-59,999	133	16	5	6	-	106	102.98
\$60,000-69,999	65	15	4	2	1	43	48.65
\$70,000-79,999	47	30	7	2	-	8	41.19
\$80,000-89,999	27	16	5	3	-	3	24.48
\$90,000-99,999	6	4	1	1	-	-	5.3
\$100,000-119,999	11	8	1	1	-	1	10.1
\$120,000-149,999	15	13	1	1	-	-	14.8
\$150,000-199,999	10	8	-	2	-	-	10
\$200,000-360,000	6	5	-	1	-	-	6
	438	115	24	20	2	277	356.49

EMPLOYMENT AND CONDUCT PRINCIPLES

Alpine Resorts Victoria is committed to applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably on the basis of key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Governance

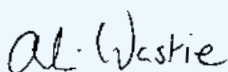
RELEVANT INFORMATION

The following is retained by the principal officer and is available to the relevant Minister, Members of Parliament and the public on request:

- > Statement declaring pecuniary interests completed by all relevant officers;
- > Details of publications produced and where available;
- > Details of changes in prices, fees, charges, rates and levies;
- > Details of any major external reviews;
- > Details of major research and development activities;
- > Details of major promotional public relations and marketing activities;
- > Details of assessments and measures undertaken to improve occupational health and safety of employees;
- > General statement on industrial relations and details of time lost through industrial accidents and disputes;
- > Major committees sponsored, purposes of committees and achievements; and
- > Details of all consultancies and contractors, including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

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



Ali Wastie

Chair

Melbourne
27 June 2024

OTHER KEY LEGISLATION GOVERNING ALPINE RESORTS VICTORIA

- > *Aboriginal Heritage Act 2006*
- > *Aboriginal & Torres Straits Islander Heritage Protection Act 1984 (Cwlth)*
- > *Audit Act 1994*
- > *Building Act 1993*
- > *Catchment and Land Protection Act 1994*
- > *Charter of Human Rights & Responsibilities Act 2006*
- > *Child Wellbeing and Safety Act 2005*
- > *Children Youth and Families Act 2005*
- > *Circular Economy (Waste Reduction and Recycling) Act 2021*
- > *Climate Change Act 2017*
- > *Country Fire Authority Act 1958 Crown Land (Reserves) Act 1978*
- > *Disability Act 2006*
- > *Education and Care Services National Law Act 2010*
- > *Environment Protection & Biodiversity Conservation Act 1999 (Cwlth)*
- > *Environment Protection Act 2017*
- > *Environment Effects Act 1978*
- > *Emergency Management Act 1986*
- > *Emergency Management Act 2013*
- > *Financial Management Act 1994*
- > *Flora and Fauna Guarantee Act 1988*
- > *Forests Act 1958*
- > *Freedom of Information Act 1982*
- > *National Parks Act 1975*
- > *Occupational Health & Safety Act 2004*
- > *Planning and Environment Act 1987*
- > *Public Administration Act 2004*
- > *Public Interest Disclosure Act 2012*
- > *Privacy and Data Protection Act 2014*
- > *Road Management Act 2004*
- > *Traditional Owner Settlement Act 2010*



Financial Report

For the 15 month period ended
31 December 2023

How this report is structured

Alpine Resorts Victoria (ARV) has presented its audited general purpose financial statements for the 15 month period ended 31 December 2023 in the following structure to provide users with the information about Alpine Resort Victoria's stewardship of resources entrusted to it.

Certifications		5. Other assets and liabilities	74
Chair's, Accountable Officer's and Chief Financial Officer's declaration	50	Working capital balances and other key assets and liabilities	
Independent Auditor's Report	51	5.1 Receivables	
		5.2 Payables	
Financial statements		5.3 Inventories	
Comprehensive operating statement	53	5.4 Prepayments	
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The basis on which the financial statements have been prepared and compliance with reporting regulations		6.1 Borrowings	
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2. Funding Delivery of our Services	59	6.3 Cash flow information and balances	
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4.1 Total infrastructure, property, plant and equipment		8.7 Remuneration of auditors	
4.2 Intangible assets		8.8 Subsequent events	
		8.9 Australian Accounting Standards issued that are not yet effective	
		8.10 Glossary of technical terms	
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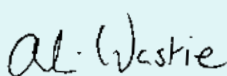
Chair's, Accountable Officer's and Chief Financial Officer's declaration

The attached financial statements for Alpine Resorts Victoria 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, statement of changes in equity, statement of cash flows and accompanying notes, presents fairly the financial transactions during the fifteen month period ended 31 December 2023 and financial position of Alpine Resorts Victoria at 31 December 2023.

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.

In accordance with the resolution of the Board we authorise the attached annual financial statements for issue on 27 June 2024.



Ali Wastie

Chair

Melbourne
27 June 2024



Amber Gardner

Chief Executive Officer

Mansfield
27 June 2024



Mandy Kynnersley

Chief Financial Officer

Mansfield
27 June 2024

Independent Auditor's Report



Independent Auditor's Report

To the Board of Alpine Resorts Victoria

Opinion	<p>I have audited the financial report of Alpine Resorts Victoria which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 31 December 2023• comprehensive operating statement for the 15-month period then ended• statement of changes in equity for the 15-month period then ended• cash flow statement for the 15-month period then ended• notes to the financial statements, including significant accounting policies• chair's, chief executive officer's and chief financial officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of Alpine Resorts Victoria as at 31 December 2023 and its financial performance and cash flows for the 15-month 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>
Basis for Opinion	<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 Alpine Resorts Victoria 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>
Board's responsibilities for the financial report	<p>The Board of Alpine Resorts Victoria 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.</p> <p>In preparing the financial report, the Board is responsible for assessing Alpine Resorts Victoria'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>

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, 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.

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:

- 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.
- 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 Alpine Resorts Victoria's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- 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 Alpine Resorts Victoria'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 Alpine Resorts Victoria to cease to continue as a going concern.
- 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.

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.

MELBOURNE
30 June 2024



Sahchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

For the 15 month period ended 31 December 2023

	Notes	2023 \$
CONTINUING OPERATIONS		
Revenue and Income from transactions		
Site rent & service charges	2.1	31,796,951
Property income	2.2	3,171,520
Sale of goods and services	2.3	26,238,587
Grant funding	2.4	21,168,441
Other income	2.5	2,046,095
Total income from transactions		84,421,594
Expenses from transactions		
Employee benefits	3.2	29,191,190
External services expenses	3.3	20,016,365
Operating expenses	3.4	19,609,803
Cost of sales	3.5	1,719,996
Depreciation and amortisation	4.1.2	13,549,591
Total expenses from transactions		84,086,945
Net result from transactions (net operating balance)		334,649
Other economic flows included in net result		
Net gain/(loss) on non-financial assets	8.3	(138,318)
Other gain/(loss) from other economic flows	8.3	-
Total other economic flows included in net result		(138,318)
Net result from continuing operations		196,332
Other economic flows - other comprehensive income:		
Changes in asset revaluation surplus		-
Total other economic flows - other comprehensive income		-
Comprehensive result		196,332

The accompanying notes form part of these financial statements.

Balance sheet

As at 31 December 2023

	Notes	2023 \$
Financial assets		
Cash and deposits	6.3	20,736,216
Receivables	5.1	5,114,135
Other current assets	5.4	4,323,179
Total financial assets		30,173,530
Non-financial assets		
Inventories	5.3	599,245
Prepayments	5.4	1,766,881
Property, infrastructure, plant and equipment	4.1	513,847,234
Right of use assets	4.1.1	2,876,999
Intangible assets	4.2	11,730
Total non-financial assets		519,102,089
Total assets		549,275,619
Liabilities		
Payables	5.2	4,009,310
Borrowings	6.1	589,063
Leases	6.2	2,991,089
Employee related provisions	3.2.1	3,251,997
Other Liabilities	5.5	9,401,213
Deferred Capital Grant Revenue	5.6	10,578,508
Total liabilities		30,821,180
Net assets		518,454,439
Equity		
Accumulated surplus/(deficit)		196,331
Contributed capital		518,258,108
Asset revaluation reserve		-
Net worth		518,454,439

The accompanying notes form part of these financial statements.

Statement of cash flows

For the 15 month period ended 31 December 2023

	Notes	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Receipts from operating activities		67,681,292
Receipts from government entities		22,848,368
Interest received		904,841
Total receipts		91,434,501
Payments		
Payments to suppliers and contractors		(49,743,255)
Payments to and on behalf of employees		(27,245,331)
Net GST paid		(2,419,126)
Total payments		(79,407,712)
Net cash flows from operating activities	6.3.1	12,026,789
Cash flows from investing activities		
Purchase of non-financial assets		(24,069,227)
Net cash flows used in investing activities		(24,069,227)
Cash flows from financing activities		
Repayment of borrowings		(1,069,730)
Payment of lease liabilities		(299,027)
Net cash flows used in financing activities	6.2.5	(1,368,757)
Net increase in cash and cash equivalents		(13,411,195)
Cash and cash equivalents at beginning of financial period		34,147,411
Cash and cash equivalents at end of financial period	6.3	20,736,216

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the 15 month period ended 31 December 2023

	Accumulated surplus / (deficit) \$	Contributed capital \$	Asset revaluation reserve \$	Total \$
Balance at 1 October 2022	-	-	-	-
Net result for the 15 month period	196,331	518,258,108	-	518,454,439
Other comprehensive income	-	-	-	-
Balance at 31 December 2023	196,331	518,258,108	-	518,454,439

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

1.0 ABOUT THIS REPORT

Alpine Resorts Victoria (ARV) was established on 1 October 2022 pursuant to the *Alpine Resorts Legislation Amendment Act 2022* (the Act) as passed by the Victorian Parliament in March 2022, abolishing the previous Alpine Resort Management Boards. The Act outlines the functions, responsibilities and requirements of ARV.

ARV operates resorts at Mt Buller, Mt Stirling, Falls Creek, Mt Hotham, Lake Mountain and Mount Baw Baw and these financial statements cover ARV as an individual reporting entity. ARV is a public body acting on behalf of the Crown and reporting to the Department of Energy, Environment and Climate Action (DEECA or 'the Department').

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.

Its principal address is:

Alpine Resorts Victoria
19 Highett St
Mansfield
Victoria 3722

Basis of preparation

These financial statements have been prepared for a fifteen month financial period spanning from 1 October 2022 to 31 December 2023. This is the first financial period of ARV operations since its establishment.

These financial statements are in 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 the preparation of 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 requirement 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 ARV.

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 or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgements or estimates'.

All amounts in the financial statements (including the notes) have been rounded to the nearest \$1 unless otherwise stated. Figures in the financial statements may not equate exactly due to rounding.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular 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 AAS 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 is reported.

These financial statements have been prepared on a going concern basis.

Establishment of Alpine Resorts Victoria and abolishment of Alpine Resort Management Boards

The *Alpine Resorts Legislation Amendment Act 2022*, (the Act) passed by the Victorian Parliament in March 2022, abolished the four Alpine Resorts Management Boards (ARMBs) 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 is responsible for managing Mount Baw Baw, Lake Mountain, Falls Creek, Mount Buller, Mount Hotham and Mount Stirling.

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.

In accordance with *FRD119 Transfers Through Contributed Capital*, the transfer of all assets and liabilities by the ARMBs to ARV is recognised as a direct adjustment to equity and designated as Contributions from Owners.

The Act transferred the four Alpine Resort Management Boards (ARMBs) assets, powers, works, rights, liabilities and obligations, which also included financial and other reporting obligations to ARV. All employees of the ARMBs transferred to ARV on its commencement date.

The transfer of assets and liabilities occurred on the first day of the financial period, 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 of the former Alpine Resort Management Boards and 1 October 2022 the date of abolishment of the ARMBs.
- > The carrying amounts of assets and liabilities transferred are disclosed in the ARV Balance Sheet as opening balances at 1 October 2022 where included in this financial report.
- > Comparatives to prior period are not included in this financial report. ARV was established on 1 October 2022, and this is the first financial report by the new entity.

Going Concern

It has been determined that the going concern assumption remains to be the appropriate basis for the preparation of the 2023 financial report.

Future revenue generated by the resorts is contingent on the snow fall for the period and may also be impacted by other factors outside the control of management such as a pandemic and subsequent restrictions. The Department of Energy, Environment and Climate Action (DEECA) has committed to providing ongoing cash flow support to meet ARV's current and future obligations as and when they fall due.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

2.0 FUNDING DELIVERY OF OUR SERVICES

Introduction

ARV's overall objective is to promote the management, development, promotion and use of Victoria's Alpine Resorts in an environmentally and financially sustainable way for alpine recreation and tourism in all seasons by persons from varied cultural and economic groups.

To enable ARV to fulfil its objective it receives income from visitor fees which is derived from a range of services provided including resort entry fees from the public visiting during the declared snow season.

ARV also receives rental income and service fees from site holders in accordance with its role as manager of Crown Land, as well as government funding in the form of an operational subsidy and other operating income.

Structure

2.1	Summary of revenue and income that funds the delivery of our services	59
2.2	Property income	60
2.3	Entry & recreation	60
2.4	Grant funding	61
2.5	Other Income	62

2.1 SUMMARY OF REVENUE AND INCOME THAT FUNDS DELIVERY OF SERVICES

	Notes	2023 \$
Site rent & service charges		31,796,951
Property income	2.2	3,171,520
Sale of goods and services	2.3	26,238,587
Grant funding	2.4	21,168,441
Other income	2.5	2,046,095
Total - Summary of revenue and income that funds delivery of services		84,421,594

Revenue and income that fund delivery of ARV's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

Site rent

Site rental fees are recognised under the terms and conditions of each lease and in accordance with ARV's role as a Committee of Management of any Crown land deemed to be permanently reserved under the *Crown Lands Reserve Act 1978*.

Rental revenue from Crown leases is recognised per *AASB 15: Revenue from Contracts with Customers* on a straight-line basis over the term of the relevant lease.

Service charges

Service charges are leviable under Section 13 of the *Alpine Resorts (Management) Act 1997*. Service charge revenue is recognised in accordance with *AASB 15: Revenue from contracts with customers* with performance obligations being met over the period to which the service charge relates.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

2.2 PROPERTY INCOME

	2023 \$
Utility income	1,840,561
Other property income	1,330,959
Total - Property Income	3,171,520

Utility income for the provision of LP gas is recognised as related performance obligations are met, when LP gas is provided to the end user.

Other property income includes service charge infrastructure fees, consent fees, permits and licences, and miscellaneous property rental. These revenue items are recognised when the performance obligation is satisfied, being when the goods or services have been provided.

A service charge infrastructure fee is levied upon site holders where development or redevelopment leads to an increased number of beds. This is levied upon completion of the development.

2.3 SALE OF GOODS AND SERVICES

	2023 \$
Resort entry fees	20,598,358
Accommodation	389,960
Food, beverage and merchandise sales	2,228,662
Equipment hire	939,306
Childcare	383,072
Recreational activities	1,562,335
Other miscellaneous	136,894
Total - Sale of goods and services	26,238,587

The sale of goods and services included in the table above are transactions that ARV has determined to be classified as revenue from contracts with customers in accordance with *AASB 15 Revenue from Contracts with Customers*.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. ARV recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided in accordance with *AASB 15 Revenue from Contracts with Customers*.

Resort Entry Fees

Resort entry fees are levied under Section 18 of the *Alpine Resorts (Management) Regulations 2020*. Infringements are issued to visitors who do not pay their resort entry fee under the *Road Safety Act 1986* and the *Road Safety (General) Regulations 2009*.

Resort entry revenue (including from the sale of season permits) is recognised when received and when the entitlement is in the current financial period. Season permit receipts received for an entitlement to resort entry are recognised as revenue at the beginning of the snow season in the period that the permit relates. The associated performance obligations, including ensuring access to the resort, snow clearing, provision of parking and transportation, ski patrol services and on-mountain medical services during the declared snow season, are treated as satisfied at the beginning of the snow season upon opening day. Any refunds are allocated proportionately during the period.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

2.4 GRANT FUNDING

	2023 \$
Operational grant funding	11,378,253
Capital grant funding	9,790,188
Total - Grant funding	21,168,441

Grants recognised under AASB 15

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 Revenue from Contracts with Customers*. 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.

Cashflow funding is received from the Victorian State Government to support ARV to meet its operational funding requirements. These funds had obligations attached under a letter of comfort and have been recognised under AASB 15.

Any contributions received from the Victorian State Government that are deemed as being of 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.

Grants recognised under AASB 1058

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, are recognised in accordance with under *AASB 1058 Income of not-for-profit entities* when ARV has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset ARV recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

Related amounts may take the form of:

- > contributions by owners, in accordance with AASB 1004;
- > revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- > a lease liability in accordance with AASB 16;
- > a financial instrument, in accordance with AASB 9; or
- > a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Income from grants to construct ARV's capital works projects are recognised progressively as the asset is constructed in accordance with AASB 1058. This aligns with ARV's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income on the basis that this most closely reflects the construction progress as costs are incurred as the works are done.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

2.5 OTHER INCOME

	2023 \$
Interest income	1,181,007
Miscellaneous income	865,088
Total - Other Income	2,046,095

Interest

Interest income includes interest received on bank accounts, term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Miscellaneous income

Other miscellaneous income includes fuel sales, post office recharges, general recharges, fuel tax credits and other revenue.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

3.0 THE COST OF DELIVERING OUR SERVICES

Introduction

This section provides an account of the expenses incurred by ARV in delivering services and outputs. These expenses are recognised as they are incurred and reported in the financial period to which they relate. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1	Expenses incurred in delivery of services	63
3.2	Employee benefits in the comprehensive income statement	63
3.3	External services expenses	66
3.4	Operating expenses	67
3.5	Cost of sales	68

3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

	Notes	2023 \$
Employee benefit expenses	3.2	29,191,190
External services expenses	3.3	20,016,365
Operating expenses	3.4	19,609,803
Cost of sales	3.5	1,719,996
Depreciation and amortisation	4.1.2	13,549,591
Total - Expenses incurred in delivery of services		84,086,945

3.2 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	2023 \$
Salaries and wages, annual leave and long service leave	24,138,429
Other employee benefits	2,669,369
Defined contributions superannuation expense	2,383,392
Total - Employee benefits in the comprehensive operating statement	29,191,190

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

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. ARV does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when ARV is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

3.2.1 EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2023 \$
<i>Current provisions</i>	
<i>Annual leave</i>	
Unconditional and expected to settle within 12 months	745,215
Unconditional and expected to settle after 12 months	218,129
<i>Long service leave</i>	
Unconditional and expected to settle within 12 months	342,410
Unconditional and expected to settle after 12 months	1,035,085
<i>Provisions for on-costs</i>	
Unconditional and expected to settle within 12 months	189,636
Unconditional and expected to settle after 12 months	158,134
Total current provisions for employee benefits	2,688,609
<i>Non-current provisions</i>	
Employee benefits	494,914
On-costs	68,474
Total non-current provisions for employee benefits	563,388
Total provisions for employee benefits	3,251,997
<i>Reconciliation of movement in on-cost provision</i>	
Opening balance	465,643
Additional provisions recognised	225,851
Additions due to transfer in	-
Reductions arising from payments/other sacrifices of future economic benefits	(275,251)
Unwind of discount and effect of changes in the discount rate	-
Reduction transfer out	-
Closing balance	416,244
Current	347,770
Non-current	68,474

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Wages and salaries, annual leave and personal leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because ARV does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As ARV expects the liabilities to be wholly settled within twelve months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as ARV does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

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

Employment on-costs such as payroll tax, fringe benefits tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Long Service Leave

Unconditional long service leave is disclosed as a current liability, even where ARV does not expect to settle the liability within twelve months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within twelve months.

The components of this current long service leave liability are measured at:

- > undiscounted value – if ARV expects to wholly settle within twelve months; or
- > present value – if ARV does not expect to wholly settle within twelve months.

Conditional long service leave is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current long service leave liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

ARV uses the 2008 Long Service Leave Model to calculate long service leave liability.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

3.2.2 SUPERANNUATION CONTRIBUTIONS

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

	Paid contributions for the period 2023 \$	Contributions outstanding at end of period 2023 \$
Defined benefits plan ^(a)		
ESS Super	21,474	5,467
Defined contributions plan		
Australian Super	154,965	10,297
Hostplus	100,652	6,872
VicSuper	485,434	59,005
Other	1,952,509	74,935
Total - Superannuation contributions	2,715,034	156,576

The defined benefit liability is recognised in the Department of Treasury and Finance (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.

On 1 July 2023 the Superannuation Guarantee Charge (SGC) increased from 10.5% to 11.0%.

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

3.3 EXTERNAL SERVICES EXPENSES

	2023 \$
External services	4,257,261
Contractors	14,010,965
Consultants	1,748,139
Total - External services expenses	20,016,365

External services

External services are costs incurred with delivering services of the resorts and include snow making contributions, transport, water testing & monitoring, and waste collection and disposal fees. The costs are recognised either when the services have been received, or in the terms agreed to in the contract.

Contractors

Contract payments relate to the costs incurred with delivering services and maintaining the infrastructure of the resorts. The costs are recognised either when the services have been received, or in the terms agreed to in the contract.

Consultants

Payments to consultants are for professional services provided to the resorts incurred in delivering services and maintaining infrastructure of the resorts. The costs are recognised either when the services have been received, or in the terms agreed to in the contract.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

3.4 OPERATING EXPENSES

Operating expenses are recognised as an expense in the reporting period in which they are incurred.

	Notes	2023 \$
Utilities and fuel expenses		4,746,790
Repairs and maintenance		3,805,219
Financial expenses		3,907,370
Marketing expenses		2,875,729
Material expenses		1,538,334
Other expenses		2,519,789
Short-term and low value lease payments		18,573
Audit fees	8.7	198,000
Total - Operating Expenses		19,609,803

Utilities and fuel expenses

Utilities expenses are recognised as an expense in the reporting period in which they are incurred and represent fuel, electricity and gas consumed for the operation of the resorts.

Repairs and maintenance

Repairs and maintenance are incurred to enable the resorts to deliver services and maintain infrastructure of the resorts. The costs are recognised either when the services have been received, or in the terms agreed to in the contract.

Financial expenses

Financial expenses are recognised as an expense in the reporting period and represent costs in relation to insurance, interest expense and bank and merchant fees.

Marketing expenses

Marketing expenses are recognised as an expense in the reporting period in which they are incurred and represent media promotion, event organisation and general advertising.

Materials expenses

These expenses are for various materials and consumables used to deliver services and maintain infrastructure of the resorts. The costs are recognised when the materials have been received.

Other expenses

Other expenses represent property management fees, survey costs, valuation costs and property rates and taxes.

Lease payments

The following lease payments are recognised on a straight-line basis:

- > Short-term leases – leases with a term less than 12 months; and
- > Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Audit Fees

Audit Fees represent both external audit and internal audit services provided and are recognised when paid.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

3.5 COST OF SALES

	2023 \$
Purchase of inventories	1,663,085
Purchase of services	56,912
Total - Cost of sales	1,719,997

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related income is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs.

The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the level of inventories recognised as an expense in the period in which the reversal occurs.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

4.0 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

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

Structure

4.1	Total infrastructure, property, plant and equipment	69
4.2	Intangible assets	73

4.1 TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

2023	Gross Carrying Amount \$	Accumulated Depreciation \$	Net Carrying Amount \$
<i>Items are at fair value</i>			
Land	232,986,350	-	232,986,350
Buildings	64,153,175	(5,113,033)	59,040,142
Infrastructure:			
Roads	85,729,571	(3,421,078)	82,308,493
Other than Roads	120,625,704	(8,573,006)	112,052,698
Plant, Equipment and Vehicles	29,329,775	(18,631,215)	10,698,560
Assets under construction	16,760,991	-	16,760,991
Net carrying amount	549,585,566	(35,738,332)	513,847,234

The following tables are a sub-set of buildings, plant, equipment and vehicles by right-of-use assets.

4.1.1 TOTAL RIGHT-OF-USE ASSETS: BUILDINGS, PLANT, EQUIPMENT AND VEHICLES

2023	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
<i>as at 31 December 2023</i>			
Buildings at fair value	2,752,670	(94,120)	2,658,550
Plant, Equipment and vehicles	1,093,048	(874,599)	218,449
Office Equipment	87,112	(87,112)	-
Net carrying amount	3,932,830	(1,055,831)	2,876,999

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Right-of-use asset acquired by lessees – Initial measurement

ARV 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.

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to 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 on the following page by asset category.

Non-specialised land, non-specialised buildings and artworks are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of land being valued.

Infrastructure and road infrastructure and earthworks are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis.

Vehicles are valued using the historical cost method. ARV acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in ARV who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Right-of-use asset – Subsequent measurement

ARV depreciates 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.

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

Refer to Note 7.3.2 for additional information on fair value determination of infrastructure, property, plant and equipment.

Fair value assessments were performed by the Valuer General Victoria at 31 December 2021 for Land, Buildings, Infrastructure and Plant & Equipment and Vehicles. The remaining classes of assets have been assessed by management and determined that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next full revaluation for this purpose group is scheduled for 2026.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under *AASB 13 Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

4.1.2 DEPRECIATION AND AMORTISATION

	2023
Charge for the period	\$
Buildings	6,033,232
Plant and equipment and vehicles	2,947,233
Infrastructure:	
Roads	94,348
Other than Roads	4,474,778
Total - Depreciation and amortisation	13,549,591

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 periods are included in the table below:

Asset	Useful Life (years)
Buildings and improvements	2–85 years
Plant and equipment and vehicles	3–50 years
Water and sewerage	1–30 years
Land management	5–40 years
Roads and car parks	1–150 years
Trails	10–300 years
Ski lift infrastructure	5–30 years
Intangible assets	3–5 years

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where ARV 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

For the 15 month period ended 31 December 2023

4.1.3 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF LAND, BUILDINGS, INFRASTRUCTURE AND PLANT, EQUIPMENT & VEHICLES

2023 Assets at fair value			Infrastructure		Plant, Equipment and Vehicles	Assets under construction	Total
	Land	Buildings	Infrastructure: Roads	Infrastructure: Other			
Transfer in from previous ARMB's	232,986,350	61,669,331	85,709,322	109,130,317	8,546,035	8,413,794	506,455,150
Additions	-	188,137	18,468	34,455	1,483,563	18,965,362	20,689,985
Transfers	-	(91)	(2,593,285)	6,945,312	1,355,457	110,164	5,817,557
Transfer in / (out) of assets under construction	-	250,358	2,305,505	699,717	1,787,984	(10,731,296)	(5,687,731)
Disposals	-	-	-	(350,000)	(272,775)	-	(622,775)
Accumulated depreciation on disposal	-	-	-	29,898	265,360	-	295,258
Depreciation	-	(3,067,594)	(3,131,518)	(4,437,001)	(2,467,064)	2,966	(13,100,210)
Closing balance	232,986,350	59,040,142	82,308,493	112,052,698	10,698,561	16,760,991	513,847,234

Fair value assessment performed by the Valuer General Victoria was performed at 31 December 2021. Fair value assessments have been performed for Land, Buildings, Infrastructure and Plant, Equipment and Vehicles. The remaining classes of assets have been assessed and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation for this purpose group is scheduled for 2026.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

4.2 INTANGIBLE ASSETS

	2023
Software	\$
Gross carrying amount	
Opening balance	-
Additions	11,730
Assets under construction	-
Transfers to fixed assets under construction	-
Closing balance	11,730
Accumulated depreciation, amortisation and impairment	
Opening balance	-
Amortisation ^(a)	-
Closing balance	-
Net book value at end of financial period	11,730

(a) The consumption of intangible produced assets is included in 'depreciation' line item, where the consumption of the intangible non-produced assets is included in 'net gain/(loss) on non-financial assets' line item on the comprehensive operating statement.

(b) Impairment losses are included in the line item 'net gain/(loss) on non-financial assets' in the comprehensive operating statement. An impairment loss was not recognised for the period.

Initial Recognition of intangible assets

Purchased intangible assets are initially recognised at cost. When the recognition criteria in *AASB 138 Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent measurement of intangible assets

Intangible produced assets with finite useful lives are amortised as an 'expense from transactions' on a straight line basis over their useful lives. The amortisation period is three and five years.

Impairment of intangible assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

5.0 OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

5.1	Receivables	74
5.2	Payables	77
5.3	Inventories	77
5.4	Prepayments	78
5.5	Other liabilities	78
5.6	Deferred capital grant revenue	78

5.1 RECEIVABLES

	2023 \$
Contractual	
Sale of goods and services	3,528,792
Other receivables	991,407
Allowance for impairment of contractual receivables	(243,551)
Statutory	
GST input tax credit recoverable	837,487
Total - Receivables	5,114,135
Represented by:	
Current receivables	5,114,135
Non-current receivables	-

Contractual receivables include debtors in relation to goods and services.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. ARV holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Debtors are carried at amounts due. Where necessary, interest is charged on overdue debts in accordance with the *Penalty Interest Rates Act 1983* or in accordance with relevant legislation and/or lease terms.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Expected credit losses on contractual receivables at amortised cost

ARV 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 loss allowances for contractual receivables are based on assumptions about risk of default and expected loss rates. ARV uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on the ARV's history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Credit loss allowance is classified as other economic flows in the net result.

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense.

Indicators that there is no reasonable expectation of recovery include, the failure of a debtor to engage in a repayment plan, and a failure to make receivable contractual payments greater than 120 days past due.

Subsequent recoveries of amounts previously written off are credited against the same line item.

A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts are considered as written off by mutual consent.

Indicators that there is no reasonable expectation of recovery include, the failure of a debtor to engage in a repayment plan, and a failure to make receivable contractual payments greater than 120 days past due.

There are no material financial assets that are individually determined to be impaired.

Statutory receivables include amounts owing from the Victorian Government and Federal Government.

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 for disclosure purposes. ARV 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. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about ARV's impairment policies, exposure to credit risk and the calculation of the loss allowance are set out in Note 7.1.2

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

5.1.1 MATURITY ANALYSIS OF CONTRACTUAL RECEIVABLES ^(a)

	Carrying Amount	Nominal Amount	Past due but not impaired			
			Current	Less than 1 month	1 to 3 months	3 months to 1 year
2023						
Sale of goods & services	3,285,241	3,528,792	1,134,121	250,408	799,950	1,100,762
Other receivables	991,407	991,407	991,407	-	-	-
Total	4,276,648	4,520,199	2,125,528	250,408	799,950	1,100,762

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

5.1.2 FINANCE LEASE RECEIVABLES (ARV AS A LESSOR)

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease receipts are apportioned between periodic interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leasing powers are defined in Section 7 of the *Alpine Resorts (Management) Act 1997*. Lease terms of up to 99 years are permissible under this section. New leases are granted on the basis that the rental will be set at the Victorian Valuer-General's market valuation.

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Non-cancellable operating lease receivables		2023
<i>Operating leases - Crown Land</i>		\$
Less than one year	2024	9,281,359
One to two years	2025	7,992,804
Two to three years	2026	7,884,109
Three to four years	2027	7,864,477
Four to five years	2028	7,603,284
Longer than five years	2029+	277,332,981
Total undiscounted lease payments receivable		317,959,014

Leases as a lessor

As a lessor, ARV classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

5.2 PAYABLES

	2023 \$
Contractual	
Supplies and services	1,108,294
Other payables	2,212,984
Statutory	
GST Payable	158,109
Other taxes payable	529,923
Total - Payables	4,009,310
Represented by:	
Current payables	4,009,310
Non-current payables	-

Contractual payables

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to ARV prior to the end of the financial period that are unpaid.

Statutory payables

Statutory payables 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. The terms and conditions of amounts payable to the government and agencies vary according to their agreements.

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

5.2.1 MATURITY ANALYSIS OF CONTRACTUAL PAYABLES ^(a)

	Carrying Amount	Nominal Amount	Maturity dates			
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
2023						
Supplies and services	1,108,294	1,108,294	249,554	858,740	-	-
Other payables	2,212,984	2,212,984	2,212,984	-	-	-
Total	3,321,278	3,321,278	2,462,538	858,740	-	-

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

5.3 INVENTORIES

	2023 \$
Supplies and consumables - fuel at cost	249,722
Inventories held for sale - at cost	349,523
Total - Inventories	599,245

Inventories include goods held for sale, goods intended as supplies and consumables to be used in the ordinary course of resort operations and are measured at the lower of cost and net realisable value, adjusted for any loss of service potential.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

5.4 PREPAYMENTS

	2023 \$
Prepayments	1,766,881
Other current assets	4,323,179
Total - Prepayments	6,090,060

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or the payments made for service covering a term extending beyond that financial accounting period.

5.5 OTHER LIABILITIES

	2023 \$
Unearned revenue	197,130
Contract liabilities	9,132,031
Other Liabilities	72,052
Total - Other Liabilities	9,401,213

Other liabilities include funds received prior to ARV delivering that service, or that part of income received in one accounting period covering a term extending beyond that period, in accordance with *AASB 15 Revenue from Contracts with Customers*.

Contract liabilities are land release revenues received from the sale of rights to lease and develop crown land. The revenue is received in advance and deferred as a contract liability which is then released to profit or loss when the related performance obligations are deemed to be met.

Unearned revenue balance relates to grant revenue, site rent and service charges revenue received in advance for which the related services are yet to be met. This revenue will be released to profit or loss over time as the related performance obligations are met. The balances are expected to be recognised in the 2024 year.

5.6 DEFERRED CAPITAL GRANT REVENUE

	2023 \$
Deferred capital grant revenue	10,578,508

Deferred capital grant revenue

Deferred capital grant revenue balance relates to grant funds received for the construction of non-financial assets for which obligations under the transfer are yet to be satisfied. Grant funding is received as contract milestones are met in line with the underlying grant agreements, whereas revenue is recognised over time on a stage of completion basis. Accordingly, this balance represents the amount of capital grant funding received in excess of the percentage completion of the individual capital projects.

ARV applies *AASB 1058 Income of Not-For-Profit Entities* to recognise these grants have been provided under enforceable agreements for the construction and/or acquisition of recognisable financial assets.

Funds received are initially recognised as a financial asset (cash) with a corresponding liability (obligation to construct the assets). Subsequently, the liability is derecognised as the performance obligation is satisfied (i.e. as the construction is completed).

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

6.0 HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by ARV during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities. It includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional financial instrument disclosures.

Structure

6.1	Borrowings	79
6.2	Leases	80
6.3	Cash flow information and balances	82
6.4	Commitments for expenditure	83

6.1 BORROWINGS

	2023 \$
Non-current borrowings	
Loans from TCV	589,063
Total - Borrowings	589,063

'Borrowings' refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, lease liabilities, service concession arrangement liabilities and other interest bearing arrangements.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless ARV elects to irrevocably designate them at fair value through profit or loss at initial recognition. This election depends on the nature and purpose of the interest-bearing liabilities.

6.1.1 MATURITY ANALYSIS OF BORROWINGS

	Carrying Amount	Nominal Amount	Maturity dates			
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
2023						
Loans from TCV	589,063	589,063	-	189,793	399,270	-
Total	589,063	589,063	-	189,793	399,270	-

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

6.2 LEASES

	2023 \$
Current Lease liabilities ^(a)	66,733
Non-current Lease liabilities	2,924,356
Total - Leases	2,991,089

(a) Secured by the assets leased. Leases liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Information about leases for which ARV is a lessee is presented below.

Leases are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless ARV elects to irrevocably designate them at fair value through profit or loss at initial recognition. The election depends on the nature and purpose of the interest-bearing liabilities.

6.2.1 MATURITY ANALYSIS OF LEASES

2023	Carrying Amount	Nominal Amount	Maturity dates			
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Lease liabilities	2,991,089	2,991,089	-	40,465	26,268	2,924,356
Total	2,991,089	2,991,089	-	40,465	26,268	2,924,356

6.2.2 INTEREST EXPENSE

	2023 \$
Interest on loans	58,527
Interest on lease liabilities	47,384
Total - Interest expense	105,911

Interest expense includes costs incurred in the borrowing of funds on either a short term or long-term basis.

Interest expense is recognised in the period in which it is incurred.

ARV recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

ARV's leasing activities

ARV leases a range of assets including buildings, plant, equipment and motor vehicle fleet. Except for short-term leases and leases of low-value underlying assets, which includes corporate office space and motor vehicles, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

ARV classifies its right-of-use assets in a consistent manner to its property, plant and equipment. Lease contracts for motor vehicle leases are typically 3 or 4 year terms; leases for plant and other equipment are generally 4 or 5 year terms. Lease payments for properties are renegotiated every two years to reflect market rentals.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

6.2.3 RIGHT-OF-USE ASSETS

Right-of-use assets are presented in Note 4.1.1

6.2.4 AMOUNTS RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2023 \$
Interest expense on lease liabilities	47,384
Total amount recognised in the comprehensive operating statement	47,384

6.2.5 AMOUNTS RECOGNISED IN THE STATEMENT OF CASHFLOWS

	2023 \$
Total cash outflow for leases	299,027

For any new contracts entered on or after 1 October 2022, the inception date of Alpine Resorts Victoria, ARV considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition ARV assesses whether the contract meets three key evaluations:

- > Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to ARV and for which the supplier does not have substantive substitution rights;
- > Whether ARV has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the department has the right to direct the use of the identified asset throughout the period of use; and
- > Whether ARV has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or ARV's incremental borrowing rate.

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

- > fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- > variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- > amounts expected to be payable under a residual value guarantee; and
- > payments arising from purchase and termination options reasonably certain to be exercised.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance to fixed payments

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

ARV has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

ARV presents right-of-use assets as 'property, plant or equipment' unless they meet the definitions of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

6.3 CASH FLOW INFORMATION AND BALANCES

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.

	2023 \$
Cash and deposits disclosed in the balance sheet	20,736,216
Balance as per cash flow statement	20,736,216

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

	2023 \$
Net result for the period	196,332
<i>Non-cash movements</i>	
Depreciation	13,549,591
Loss/(gain) on disposal of non-financial physical assets	138,318
<i>Movements in assets and liabilities</i>	
Decrease/(increase) in receivables	1,120,114
Decrease/(increase) in other current assets	(4,323,179)
Decrease/(increase) in inventories	(81,197)
Decrease/(increase) in prepayments	240,896
Increase/(decrease) in payables	(3,305,594)
Increase/(decrease) in unearned income	4,870,277
Increase/(decrease) in provisions	(450,822)
Increase/(decrease) in other liabilities	72,053
Net cash flows from operating activities	12,026,789

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

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. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.4.1 COMMITMENTS PAYABLE

	Nominal amounts			
	Less than 1 year	1 to 5 years	More than 5 years	Total
2023				
Capital expenditure commitments	3,093,756	-	-	3,093,756
Operating lease commitments	-	-	-	-
Intangible assets commitments	-	-	-	-
Other commitments payable	9,727,460	4,286,486	34,610,178	48,624,124
Other payables	-	-	-	-
Total commitments (inclusive of GST)	12,821,216	4,286,486	34,610,178	51,717,880
Less GST recoverable	1,195,776	389,784	3,146,380	4,731,940
Total commitments (exclusive of GST)	11,625,440	3,896,702	31,463,798	46,985,940

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

7.0 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

ARV is exposed to risk from its activities and outside factors. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for ARV related mainly to fair value determination.

Structure

7.1	Financial instruments specific disclosures	84
7.2	Contingent assets and contingent liabilities	89
7.3	Fair value determination	89

7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

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 ARV's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

ARV is dependent on the continued financial support of the State Government and in particular DEECA which provided ARV essential operational funding.

Categories of financial assets

Financial assets at amortised cost

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:

- > undiscounted value – if ARV expects to wholly settle within twelve months; or
- > 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.

ARV recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They 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 between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. ARV recognises the following liabilities in this category:

- > payables (excluding statutory payables); and
- > borrowings (including lease liabilities).

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

2023	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Contractual financial assets				
Cash and deposits	20,736,216	-	-	20,736,216
Receivables ^(a)				
Sale of goods and services	-	3,528,792	-	3,528,792
Other receivables	-	991,407	-	991,407
Total - Contractual financial assets	20,736,216	4,520,199	-	25,256,415
Contractual financial liabilities				
Payables				
Supplies and services	-	-	1,108,294	1,108,294
Other payables	-	-	2,212,984	2,212,984
Deferred capital grant revenue	-	-	473,959	473,959
Borrowings				
Finance lease liabilities	-	-	2,991,089	2,991,089
Loans from TCV	-	-	589,063	589,063
Total - Contractual financial liabilities	-	-	7,375,389	7,375,389

(a) The total amounts disclosed here exclude statutory amounts (e.g., amounts owing from Victorian government and GST input tax credit recoveries and taxes payable.)

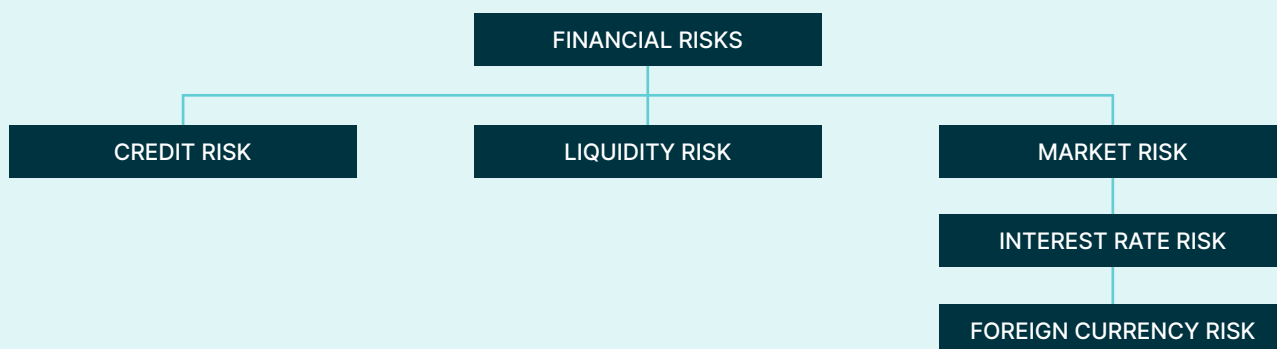
7.1.2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

ARV's financial risk management program seeks to manage the risks and associated volatility of 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 7.3 to the financial statements.

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

ARV 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 Accountable Officer.



Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. ARV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss. Credit risk is measured at fair value and is monitored on a regular basis.

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 and any payment plans entered are discussed with the Chief Financial Officer and Chief Executive Officer and recorded in writing. As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that ARV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 90 days overdue, and changes in debtor credit ratings.

Credit quality of contractual financial assets that are neither past due nor impaired ^(a)

2023	Financial institutions	Government agencies	Other	Total
Cash and deposits	20,736,216	-	-	20,736,216
Statutory receivables				
Other receivables	-	-	991,407	991,407
Contractual receivables applying the simplified approach for impairment	-	-	3,528,792	3,528,792
Total financial assets	20,736,216	-	4,520,199	25,256,415

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Impairment of financial assets under AASB 9

ARV records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss (ECL) approach. Subject to AASB 9 impairment assessment include ARV's contractual receivables, statutory receivables and its investment in debt instruments.

Contractual receivables at amortised cost

ARV 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 loss allowances for contractual receivables are based on assumptions about risk of default and expected loss rates. ARV uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on the ARV's history and existing market conditions including forward-looking estimates at the end of each reporting period.

ARV has provided for an Expected Credit Loss of \$243,551 for the period. This is based on an assessment of fines revenue.

On this basis ARV determines the opening loss for allowance on initial application date of AASB 9 and the closing loss allowance at the end of the financial period as follows:

31 December 2023	Current	Less than 1 month	1 to 3 months	3 months to 1 year	Total
Expected Loss Rate %	0.0%	0.0%	0.0%	18.1%	6.9%
Gross carrying amount of contractual receivables	1,134,121	250,408	799,950	1,344,314	3,528,792
Loss allowance	-	-	-	243,551	243,551

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. ARV operates under the Government fair payments policy of settling financial obligations within thirty days and in the event of a dispute, making payments within thirty days from the date of resolution.

ARV is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. ARV manages its liquidity risk by:

- > 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.

As indicated in Note 8.1 ARV is dependent on the Victorian Government to ensure it can meet its obligations as and when they fall due. In this respect ARV works closely with DEECA to ensure support payments are received in a timely manner for it to meet its financial obligations.

Financial instruments: Market risk

ARV's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below

Sensitivity disclosure analysis and assumptions

ARV'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. Sensitivity analysis shown is for illustrative purposes only.

A movement of 25 basis points up and down in market interest rates is 'reasonably possible' over the next 12 months.

The tables that follow show the impact on ARV's net result and equity for each category of financial instrument held at the end of the reporting period if the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. ARV 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. ARV has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

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

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Interest rate exposure of financial instruments

31 December 2023	Weighted average	Carrying amount	Interest rate exposure		
			Fixed interest	Variable interest	Non-interest bearing
Financial assets					
Cash and deposits	4.22%	20,736,216	-	20,736,216	-
Receivables					
Sale of goods and services		3,528,792	-	-	3,528,792
Other receivables		991,407	-	-	991,407
Total financial assets		25,256,415	-	20,736,216	4,520,199
Financial liabilities					
Payables					
Supplies and services		1,108,294	-	-	1,108,294
Amounts payable to government		-	-	-	-
Other Payables		2,212,984	-	-	2,212,984
Deferred capital grant revenue		473,959	-	-	473,959
Finance lease liabilities	1.51%	2,991,089	2,991,089	-	-
Loans from TCV	8.11%	589,063	589,063	-	-
Total financial liabilities		7,375,389	3,580,152	-	3,795,237

Interest rate risk sensitivity

2023	Carrying amount	-25 basis points		+25 basis points	
		Net result	Equity movement	Net result	Equity movement
Contractual financial assets					
Cash and deposits ^(a)	20,736,216	(51,841)	(51,841)	51,841	51,841
Total financial assets	20,736,216	(51,841)	(51,841)	51,841	51,841

(a) Cash and deposits include nil deposits that are exposed to floating rate movements.

Foreign currency risk

All foreign currency transactions during the financial period are brought to account using the exchange rate in effect at the date of the transaction. ARV is exposed to foreign currency risk mainly through its payables relating to purchases of plant, supplies and consumables from overseas. It has a limited number of transactions denominated in foreign currencies and there is a relatively short time frame between commitment and settlement, therefore risk is minimal. Based on past and current assessment of economic outlook and by ensuring availability of funds through rigorous cash flow planning and monitoring, it is deemed unnecessary for ARV to enter any hedging arrangements to manage the risk.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

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.

Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

As at the reporting date ARV has no contingent assets.

Contingent liabilities

Contingent liabilities are:

- > possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- > present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

As at 31 December 2023 ARV were yet to resolve a number of matters subject to insurance claims. ARV have no related contingent liabilities that are not covered by ordinary insurance policy excess requirements.

7.3 FAIR VALUE DETERMINATION

Significant judgement: Fair value measurements of assets and liabilities

This section sets out information on how ARV 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 fair value:

- > financial assets and liabilities at fair value through operating result; and
- > land, buildings, infrastructure, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

ARV determines the policies and procedures for determining fair 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, 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 ARV Board determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

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; and
 - 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 period 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 to Note 7.3.1) and non-financial physical assets (refer to Note 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 instruments 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.

ARV currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2023 reporting period.

These financial instruments include:

Financial assets

Cash and deposits

Receivables:

- > finance lease receivables
- > sale of goods and services
- > other receivables

Financial liabilities

Payables:

- > for supplies and services
- > amounts payable to government and agencies
- > other payables

Borrowings

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference.

ARV has determined for financial assets and liabilities, the carrying amount is the same as fair value.

There have been no transfers between levels during the period.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

7.3.2 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS

Fair value measurement hierarchy

2023	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
<i>Land at fair value</i>				
Non-specialised land	2,382,000	-	2,382,000	-
Specialised land	230,604,350	-	-	230,604,350
Total of land at fair value	232,986,350	-	2,382,000	230,604,350
<i>Buildings at fair value</i>				
Specialised buildings	58,760,142	-	-	58,760,142
Non-specialised buildings	280,000	-	280,000	-
Total of buildings at fair value	59,040,142	-	280,000	58,760,142
<i>Plant, equipment and vehicles at fair value</i>				
Plant, equipment and vehicles	10,698,560	-	-	10,698,560
Total of plant, equipment and vehicles at fair value	10,698,560	-	-	10,698,560
<i>Infrastructure at fair value</i>				
Roads				
Road, trail and carpark	82,308,493	-	-	82,308,493
Other than roads	111,935,698	-	-	111,935,698
Total infrastructure at fair value	194,244,191	-	-	194,244,191
Artwork	117,000	-	117,000	-
Total artwork at fair value	117,000	-	117,000	-
Total assets	497,086,243	-	2,779,000	494,307,243

(a) Classified in accordance with the fair value hierarchy.

On establishment ARV adopted the non financial physical assets of the abolished Alpine Resort Management Boards which were recognised at fair value.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Specialised land

Specialised land is valued using the market approach, adjusted for Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

Under the market approach to valuation, the assets are compared to recent comparable sales or sales of comparable assets, which are considered to have nominal or no added improvement value. The valuation of such assets is performed by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that it is also equally attributable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

Specialised land that is valued on lease rent with no CSO applied is categorised as level two land. Specialised land and buildings with adjustments of CSO that are considered as significant unobservable inputs, would be classified as level 3 assets.

The valuation cycle required by the Valuer-General Victoria is five years. During non valuation years, ARV completes an annual assessment of fair value in accordance with Financial Reporting Direction 103 Non-financial physical assets for specialised land. Reliance is placed on land indices provided by the Valuer-General Victoria.

As a result of this assessment, the movement in fair value based on Valuer-General Victoria land value indices was less than 10% and there was no requirement to adopt a managerial valuation for 2023.

Specialised buildings and structures

Specialised buildings are valued using the current 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.

ARV completes an annual assessment of fair value in accordance with Financial Reporting Direction *103 Non-financial physical assets for specialised land*. Reliance is placed on building indices provided by the Valuer-General Victoria.

As a result of this assessment, the movement in fair value based on Valuer-General Victoria building indices was less than 10% and there was no requirement to adopt a managerial valuation for 2023.

Non-specialised land

Non-specialised land is valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value. The leased sites are valued using the income approach where the future income stream of land is discounted back to present value.

In 2021 independent valuations of the department's non specialised lands were performed by the Valuer-General Victoria and used the market approach and income approach for leased land. The effective date of the valuation is 31 December 2021.

ARV completes an annual assessment of fair value in accordance with Financial Reporting Direction 103 Non-financial physical assets for specialised land. Reliance is placed on land indices provided by the Valuer-General Victoria.

Plant, equipment and vehicles

Plant, equipment and vehicles 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 current Replacement Cost method.

An independent valuation of ARV's Plant and Equipment assets was performed by the Valuer-General Victoria. The valuation was performed based on the current replacement costs of the assets. The effective date of the valuation is 31 December 2021.

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

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Infrastructure

Infrastructure assets are held at fair value. When infrastructure is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using Current Replacement Cost method.

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

Description of significant unobservable inputs to Level 3 valuations

2023	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
	Income approach	Discount rate and future lease payable
Specialised buildings	Current replacement cost	Replacement cost per square metre Useful life of specialised buildings
Plant & equipment	Current replacement cost	Cost per unit Useful life of plant and equipment
Infrastructure: Water and sewerage	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure: Road, trail & car park	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure: Ski lift	Current replacement cost	Cost per unit Useful life of the infrastructure
Office equipment	Current replacement cost	Cost per unit Useful life of the equipment
Rental equipment	Current replacement cost	Cost per unit Useful life of the equipment

Significant unobservable inputs have been reviewed with the revaluations completed for December 2021.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

7.3.3 RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS

2023 Assets at fair value	Land	Buildings	Infrastructure		Plant, Equipment and Vehicles	Assets under construction	Total
			Infrastructure: Roads	Infrastructure: Other			
Transfer in from previous ARMB's	232,986,350	61,669,331	85,709,322	109,130,317	8,546,035	8,413,794	506,455,150
Additions	-	188,137	18,468	34,455	1,483,563	18,965,362	20,689,985
Transfers	-	(91)	(2,593,285)	6,945,312	1,355,457	110,164	5,817,557
Transfer in / (out) of assets under construction	-	250,358	2,305,505	699,717	1,787,984	(10,731,296)	(5,687,731)
Disposals	-	-	-	(350,000)	(272,775)	-	(622,775)
Accumulated depreciation on disposal	-	-	-	29,898	265,360	-	295,258
Depreciation	-	(3,067,594)	(3,131,518)	(4,437,001)	(2,467,064)	2,966	(13,100,210)
Closing balance	232,986,350	59,040,142	82,308,493	112,052,698	10,698,561	16,760,991	513,847,234

Fair value assessment performed by the Valuer General Victoria was performed at 31 December 2021. Fair value assessments have been performed for Land, Buildings, Infrastructure and Plant, Equipment and Vehicles. The remaining classes of assets have been assessed and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation for this purpose group is scheduled for 2026.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

8.0 OTHER DISCLOSURES

Introduction

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

Structure

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8.1 ECONOMIC DEPENDENCY

ARV is dependent on the continued financial support of the Victorian Government and in particular DEECA, which provides ARV essential operational funding. Consequently these financial statements have been prepared on a going concern basis.

A letter of support is in place for ARV covering the period up to 30 April 2025.

8.2 EX-GRATIA EXPENSES

ARV made an ex-gratia payment of \$30k during the financial period to an employee regarding Workcover.

8.3 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.

During 2023 the Alpine Resort Hotel at Mt Baw Baw was demolished and loss on disposal includes the residual value and demolition costs of the building.

	2023 \$
Other economic flows included in net result	
Net gain/(loss) on disposal of infrastructure, property, plant, equipment and vehicles	(138,318)
Total - Other economic flows included in net result	(138,318)

Net gain/(loss) on disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

8.4 RESPONSIBLE PERSONS

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

Responsible Minister

Due to the November 2022 state election, the legislative assembly was dissolved at 6:00pm on 1 November 2022 and the government entered a "caretaker period" until 26 November 2022 when the leader of the opposition conceded defeat and the Government was returned. During this period government business is conducted in accordance with practices referred to "caretaker conventions" while ministers retain their executive responsibility, given the expiry or dissolution of the Legislative Assembly, the government cannot be held accountable for its decisions in the normal manner. Ministers of the returned government were appointed on 5 December 2022.

The persons who held the positions of Ministers in the department responsible for ARV are as follows:

The Hon. Lily D'Ambrosio MP

<i>Minister for Energy</i>	1 October 2022 to 5 December 2022
<i>Minister for Environment and Climate Action</i>	1 October 2022 to 5 December 2022
<i>Minister for Climate Action</i>	5 December 2022 to 31 December 2023
<i>Minister for Energy and Resources</i>	5 December 2022 to 31 December 2023
<i>Minister for the State Electricity Commission</i>	5 December 2022 to 31 December 2023

The Hon. Steve Dimopoulos MP

<i>Minister for Environment</i>	2 October 2023 to 31 December 2023
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Board Members

Ali Wastie	<i>Chair</i>	1 October 2022 to 31 December 2023
Helen Moran	<i>Deputy Chair</i>	1 October 2022 to 31 December 2023
Daniel Miller	<i>Board member</i>	1 October 2022 to 31 December 2023
Julia Hunter	<i>Board member</i>	1 October 2022 to 31 December 2023
Kaley Nicholson	<i>Board member</i>	1 October 2022 to 31 December 2023
Michael Monester	<i>Board member</i>	1 October 2022 to 31 December 2023
Nadia Jaworski	<i>Board member</i>	1 October 2022 to 31 December 2023
Natalie Ajay	<i>Board member</i>	1 October 2022 to 31 December 2023
Peter Anderson	<i>Board member</i>	1 October 2022 to 31 December 2023

Accountable Officer

Amber Gardner	<i>Chief Executive Officer</i>	1 October 2022 to 31 December 2023
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Remuneration

Remuneration received or receivable by the responsible persons in connection with the management of ARV during the reporting period are shown in the table below:

Total remuneration payable to responsible persons covers a fifteen month reporting period for these statements.

Remuneration of responsible persons	Number
\$30,000 - \$39,999	8
\$60,000 - \$69,999	1
\$460,000 - \$469,999	1
Total number	10
Total remuneration	823,782

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

8.5 REMUNERATION OF EXECUTIVES

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below.

Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *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. Accordingly, remuneration is determined on an accrual basis, 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.

Termination benefits include termination of employment payments, such as severance packages.

Total remuneration payable to executives covers a fifteen month reporting period for these statements.

Remuneration of executives ^(a)	2023
Short term benefits	\$1,080,905
Post employment benefits	\$147,114
Other long term benefits	\$33,081
Termination benefits	\$283,481
Total remuneration ^(a)	\$1,544,581
Total number of executives	6
Total annualised employee equivalents ^(b)	6

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 8.8).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

8.6 RELATED PARTIES

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

Related parties of ARV include:

- > all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- > 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

During the financial period ARV had the following government related entity transactions:

\$15,778,478 was received from the Department of Energy, Environment and Climate Action as grant funding and Letter of Comfort support.

\$1,911,642 was received from Department of Jobs, Skill, Industry and Regions as grant funding.

\$180,000 was received from Department of Families, Fairness and Housing as grant funding.

\$990,243 was received from Department of Justice and Community Safety as grant funding.

\$3,417,526 was received from Victorian Managed Insurance Authority for insurance claims predominantly for earthquake damage at Mt Buller.

\$159,430 was paid to the Department of Energy, Environment and Climate Action for the provision of planning permits and asset valuations.

\$844,649 was paid to Goulburn Valley Water for the provision of water treatment services.

\$202,350 was paid to Tourism North East to jointly fund the 2023 Winter season Co-operative campaign.

Key management personnel (KMP) for the Alpine Resort Victoria Board includes the Portfolio Minister, members of the Board and the Chief Executive Officer. They are:

The Hon. Lily D'Ambrosio MP	<i>Minister for Energy; Minister for Environment & Climate Action</i>
The Hon. Steve Dimopoulos MP	<i>Minister for Environment</i>
Ali Wastie	<i>Chair</i>
Helen Moran	<i>Deputy Chair</i>
Daniel Miller	<i>Board member</i>
Julia Hunter	<i>Board member</i>
Kaley Nicholson	<i>Board member</i>
Michael Monester	<i>Board member</i>
Nadia Jaworski	<i>Board member</i>
Natalie Ajay	<i>Board member</i>
Peter Anderson	<i>Board member</i>
Amber Gardner	<i>Chief Executive Officer</i>

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Remuneration of key management personnel

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 KMP reflects a span of fifteen months for the current reporting period.

Compensation of KMP ^(a)	2023
Short term benefits	\$724,193
Post employment benefits	\$76,958
Other long term benefits	\$22,631
Total remuneration	\$823,782
Total number of KMP	10

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.5)

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 occurs 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.

All payments made or received between ARV and other government entities are on an arm's length basis and at normal commercial terms.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the ARV's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

8.7 REMUNERATION OF AUDITORS

Remuneration of auditors		2023 \$
Audit of the financial statements	VAGO	198,000
Internal and other audit services	HLB Mann Judd	32,819
Internal and other audit services	Crowe	5,000
Total - Remuneration of auditors		235,819

8.8 SUBSEQUENT EVENTS

The policy in connection with recognising subsequent events is that events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- > adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date; and/or
- > disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

There are no subsequent events of a material interest to disclose at this note.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

8.9 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on:	Impact on public sector entity financial statements
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	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. ARV will not early adopt the Standard.	1 January 2023	The standard is not expected to have a significant impact on the public sector.
AASB 17 <i>Insurance</i>	The operative date of this standard has been deferred by AASB 2020-5. Amendments to Australian Accounting Standards - Insurance Contracts to reporting periods beginning on or after 1 January 2023 and will supersede AASB 4 Insurance Contracts. AASB 17 seeks to eliminate inconsistencies and weakness in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The standard also provides requirements for presentation and disclosure to enhance comparability between entities.	1 January 2023	The Australian Accounting Standards Board has currently issued and Exposure Draft 319 - Insurance Contracts in the Public Sector, proposing public sector modifications to AASB 17 to facilitate the application by public sector entities. It is proposed that public sector entities would apply AASB 17 to annual periods beginning or after 1 July 2025, with earlier application permitted.

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 ARV's reporting.

- > AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*
- > AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- > AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.*
- > AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19 - Rent Related Concessions: Tier 2 Disclosures.*
- > AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform - Phase 2.*
- > AASB 2020-9 *Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments.*

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

8.10 GLOSSARY OF TECHNICAL TERMS

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

Amortisation 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'.

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, lease liabilities, service concession arrangements and other interest-bearing arrangements. Borrowings also include non interest-bearing advances from government that are acquired for policy purposes.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation 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'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Employee benefits expenses 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.

Ex gratia expenses 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.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset 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.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

Financial liability 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.

Financial statements in the Model report comprises:

- (a) a balance sheet as at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of *AASB 101 Presentation of Financial Statements*; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grant expenses and other transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general-purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Infrastructure systems 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.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

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.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net lending/borrowing is the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

Net operating balance or net result from transactions 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.

Net result 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'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets 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.

Operating result 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 to 'net result'.

Other economic flows included in net result 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.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables 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.

Right-of-use asset is an asset that represents a lessee's right to use an underlying asset for the lease term.

Sales of goods and services 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 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.

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in normal operations.

Transactions are those economic flows that are considered to arise because of policy decisions, usually an interaction between two entities by mutual 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.

Notes to the Financial Statements

For the 15 month period ended 31 December 2023

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
- 202x Year period



Appendix

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