

A wide-angle photograph of a snowy mountain landscape under a blue sky with scattered clouds. In the foreground, a ski lift line with several chairs is visible, ascending a snow-covered slope. The middle ground shows a vast, snow-covered valley with a few small, snow-laden trees. In the background, a large, snow-capped mountain range stretches across the horizon. The overall scene is bright and serene, capturing the beauty of a winter ski resort.

ANNUAL

REPORT

2022

HOTHAM

CONTENTS

INTRODUCTION	2
ABOUT THE RESORT	6
STRATEGIC DIRECTION	12
HISTORY OF MT HOTHAM	18
ENABLE INVESTMENT	22
PROTECT THE ENVIRONMENT	26
ENHANCE THE VISITOR EXPERIENCE	31
EFFICIENT AND EFFECTIVE SERVICES	41
IMPROVE ORGANISATIONAL CAPABILITY	47
STATUTORY REPORTING	51
INDEPENDENT AUDITOR'S REPORT	58
FINANCIAL STATEMENTS	60
DISCLOSURE INDEX	111

RESPONSIBLE BODY DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Mount Hotham Alpine Resort Management Board's Annual Report for the year ending 30 September 2022.



ALI WASTIE
Chair
Alpine Resorts Victoria

ACKNOWLEDGEMENT OF COUNTRY

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

HOTHAM
RESORT MANAGEMENT

INTRODUCTION





MT HOTHAM CHAIR & CEO REPORT

FOLLOWING TWO YEARS IMPACTED BY BUSHFIRES AND COVID-19, 2022 YIELDED A RECORD-BREAKING BOUNCE-BACK IN RESORT VISITATION.

The easing of the pandemic restrictions saw visitors return to Mt Hotham over summer 2021-22 in strong numbers, with the High Country appeal of the resort, its fresh air and nature-based tourism proving a significant drawcard for Australian travellers.

By winter 2022, travel was relatively unrestricted, which was well received following the intermittent resort closures and COVID-19 testing requirements that presented significant challenges for winter 2020 and 2021.

Early snow falls enabled Mt Hotham to open a week ahead of the Queen's Birthday long weekend that traditionally marks the start of the winter season.

This was the first time the resort opened early in over 20 years, launching the season with an energy and excitement that sustained operations until early October.

This appetite was reflected in record visitor numbers, with pent-up demand for a snow experience attracting 212,891 visitors to Mt Hotham, enabling the resort to increase its market share relative to the other Victorian alpine resorts for the first time in over a decade.

Across Mt Hotham, the surge in demand placed substantial pressure on staff and businesses challenged with balancing acute workforce shortages including COVID-19 isolation requirements with the need to service unparalleled numbers of visitors.

We would like to take this opportunity to acknowledge the significant efforts of all stakeholders in accommodating our visitors while maintaining high levels of services until the final close of the season.

While this period was challenging, the circumstances afforded the opportunity to secure development funding of nearly \$17m, enabling the realisation of projects that will truly transform the resort landscape – an outcome we are immensely proud of and look forward to seeing come to fruition.

COVID-19-related isolation directives and supply chain issues, along with the wettest summer experienced in many years, slowed progress on some major resort capital projects. However, by the start of winter 2022, Alpine Gateway (the upgraded Loch Carpark) was partially operational, significantly improving access to the Heavenly Valley ski area. Mt Hotham Resort Management (the RMB) was also delighted to launch the Hotham Alpine Base at Whiskey Flat delivering a significant upgrade to the visitor facilities located on the site and better supporting the growth of biathlon and other recreation pursuits in this precinct.

The RMB also successfully secured an additional \$4.5m towards the Snow Play and Activity Hub at Wire Plain, supported by the Victorian Government, which will enable the new facility to be delivered in its entirety rather than in stages, and \$1.6m from the Australian Government towards the implementation of a new water tank at Mt Higginbotham that will double the resort's water storage capacity on that site.

These works will be complemented by increased private sector investment in the resort via the development of the Corral Car Park site, which will create a new village centre for the resort. This opportunity, known as the Hotham Central Precinct redevelopment, was taken to market mid-way through 2022 and the resort is currently in negotiation with developers.

The other major focus for RMB staff across 2022 has been working with the State Government to plan for the amalgamation of the six Victorian alpine resorts into a new entity known as Alpine Resorts Victoria. Alpine Resorts Victoria came into effect from 1 October 2022 and is charged with providing the leadership required to enhance the economic resilience and long-term sustainability of the alpine resorts. As such, this annual report represents the final formal publication of the Mt Hotham RMB, which wound up as an organisation on 30 September 2022.

The collaboration has been enormous over the past two years between our Board and staff; contractors to the Board, the Mt Hotham Skiing Company, the Chamber of Commerce and our resilient and dedicated business and lodge operators, the Hotham Ski Association; the State Government and our broad community of resort partners to navigate the most challenging operating landscape over the past few years and to strategically enhance Mt Hotham's position for the future. It has been a privilege to be a part of it.



ANDREW SKEWES
Chair



AMBER GARDNER
Chief Executive Officer

2022 SNOW STATISTICS



Season dates

Saturday 4 June – Sunday 3 October



Accumulated snowfall: 441 cm

(Approximate 10-year average – 290 cm)



Biggest base depth: 152cm

(18 September)



Biggest 24 hour snowfall: 51cm

(6 June)



Biggest storm: 98cm

(4-12 June)



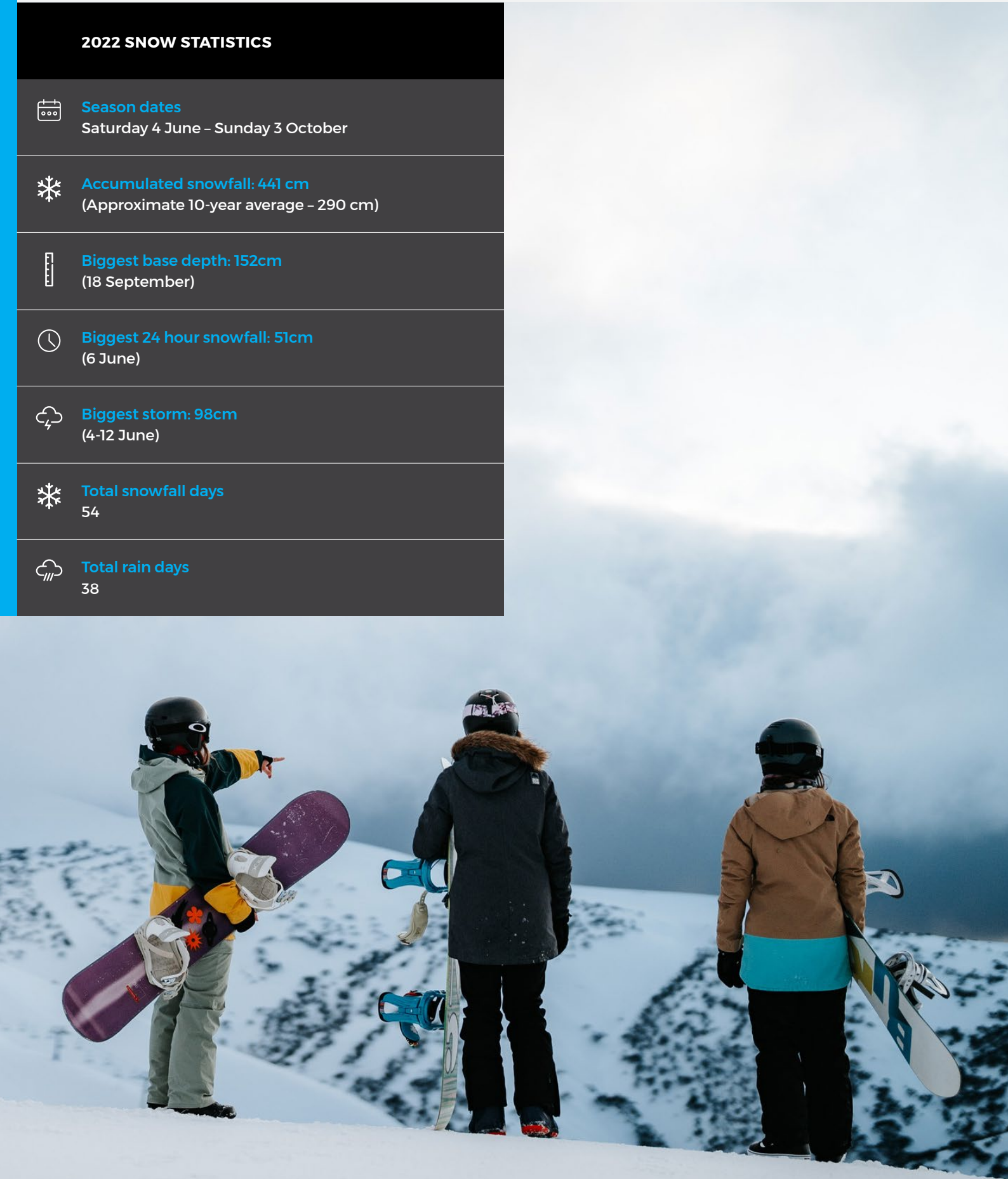
Total snowfall days

54



Total rain days

38



ABOUT THE RESORT





MT HOTHAM IS SITUATED WITHIN THE TRADITIONAL LANDS OF THE GUNAIKURNAI AND THE TAUNGURUNG PEOPLES. THE IMPORTANCE OF THE TRADITIONAL OWNERS' KNOWLEDGE OF COUNTRY AND THEIR CONNECTION TO LAND IS RECOGNISED BY MT HOTHAM RESORT MANAGEMENT.

MT HOTHAM

With a village elevation of 1765m and the summit reaching 1861m above sea level, Mt Hotham is the highest alpine resort and the sixth highest mountain in Victoria.

Mt Hotham is the only major Victorian resort located at the top of a mountain, allowing immediate access to the snowfields in winter and hiking trails in summer, along with spectacular 360-degree views across the Great Dividing Range.

The area encompasses 3193 hectares which is mostly Crown land and its boundaries connect with the Alpine National Park, the largest national park in Australia. The skifield encompasses 245 hectares, or seven percent, of the total resort area.

Mt Hotham has the largest area of advanced skiing terrain among all Australian resorts and has consistently good snowfalls (supplemented by snowmaking), resulting in reliable conditions. In summer it offers world-class walking and hiking experiences offering trails suitable for all levels.

Mt Hotham is the only alpine village in the State traversed by a significant tourist road – the Great Alpine Road (GAR) – giving visitors convenient access to amenities and providing an excellent start point to many of the activities on offer throughout the seasons. The GAR offers one of the most spectacular cycle journeys in Australia and is rated as Australia's fifth toughest road climb.

MT HOTHAM ALPINE RESORT MANAGEMENT BOARD

Mt Hotham Alpine Resort is situated on Crown land that was managed by the Mt Hotham Alpine Resort Management Board (the RMB) until 30 September 2022. The RMB is a State Government statutory authority providing a similar range of services to councils, including the management of water, waste and sewerage and the provision of public facilities and economic development activities.

The RMB was established by Section 34 of the *Alpine Resorts (Management) Act 1997*. Consistent with the Act the RMB's core functions were broadly defined as follows:

- + Manage the resort and strategically plan for sustainable development;
- + Market the resort, promoting year-round alpine experiences that increase visitation and use of commercial services;
- + Attract resort investment to stimulate ongoing resort improvement;
- + Maintain and preserve the unique alpine environment;
- + Deliver essential resort services;
- + Manage and protect the Crown asset, including granting leases and licences.

The RMB sat as a portfolio entity within the Department of Environment, Land, Water and Planning (DELWP), accountable to the Minister for Energy, Environment and Climate Change. As of 1 October 2022 it is part of Alpine Resorts Victoria (ARV) and is overseen by the ARV board.

ALPINE RESORTS VICTORIA

In 2021, the Victorian Government announced its intention to merge the four existing Alpine Resort Management Boards (ARMBs), Mt Hotham ARMB, Falls Creek ARMB, Mount Buller and Mount Stirling ARMB and the Southern ARMB, into a new statutory body corporate to be known as Alpine Resorts Victoria (ARV). This change came into effect on 1 October 2022.

The merger of the existing entities into ARV will enable a strategic approach to best position the alpine sector to take advantage of opportunities for the development of tourism in spring, autumn and summer and build resilience and innovation for winter while driving operational efficiencies.

TRADITIONAL OWNERS

The organisation is committed to genuinely partner, and meaningfully engage, with Victoria's 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.

VALUES

The RMB subscribes to the seven public sector values that guide the actions of all staff operating in this sector: responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

The RMB is also guided by its own organisational values that influence all its strategic and operational efforts:

- + **Innovation**
A commitment to driving continual growth and improvements both organisationally and across the broader resort offering.
- + **Collaboration**
Working as a strong team and collectively with Government, industry and stakeholders to achieve common resort goals.
- + **Communication**
Maintaining timely, transparent and two-way engagement across staff and stakeholders to optimise resort outcomes.



BOARD MEMBERS

1 JANUARY - 30 SEPTEMBER 2022

THE ORGANISATION'S MANAGEMENT STRUCTURE AT THE START OF 2022 COMPRISED AN INDEPENDENT FIVE-MEMBER SKILLS-BASED BOARD APPOINTED BY THE HON LILY D'AMBROSIO MP, MINISTER FOR ENERGY, ENVIRONMENT AND CLIMATE CHANGE. TWO OF THESE BOARD MEMBERS WERE COMMON ACROSS THE NORTHERN VICTORIAN ALPINE RESORTS.



ANDREW SKEWES

Chair

Andrew Skewes was appointed to the Board in January 2016 and appointed as Chair on 30 June 2021. Andrew has a wide range of professional work experience, including over 12 years in Government as a Senior Executive at the Commonwealth and State levels, a consultant in his own practice and as a lecturer and Senior Executive in higher education. Andrew is a member of the Australian Institute of Company of Directors and has been a director of companies in the Water and Information Technology sectors. He holds a Bachelor of Science, a Graduate Diploma in Education and a Master of Commerce (Hons), all from the University of Melbourne. He is a member of Anton Huette Ski Lodge at Mt Hotham.



ANTHEA PACKER

Deputy Chair

Anthea Packer was appointed to the Board on 30 March 2018 and appointed Deputy Chair on 30 June 2021. As a local, Anthea is a regular visitor to Mt Hotham on foot, bike and skis. She is passionate about regional development and sustainably growing the economic value of the alpine resorts to the north east Victorian economy. With qualifications in Commerce, Community Development and Conservation, and nearly two decades of professional experience in public land management, she brings to the leadership team a commitment to ensure a balance between connecting communities with nature, and protection of the unique natural and cultural heritage values, within and adjoining the alpine resorts.



MICHELLE CROUGHAN

Board Member

Michelle Croughan was appointed to the Board on 30 March 2018. Michelle has worked in local and State Government as a planner for over 20 years, with a particular focus on the management of the planning system. Michelle was the Manager of Alpine Planning for the State Government for several years and over the last 15 years has spent considerable time in ski resorts in Australia and Japan with her family. She is currently working as a senior integrated transport planner in the Department of Transport. Michelle is a graduate of the Australian Institute of Company Directors, has an Honours Degree in Planning and Design at Melbourne University and a Diploma in Business Management at RMIT.



HELEN MORAN

Common Board Member

Helen Moran was appointed to the Board on 30 March 2018. Helen is an accomplished executive leader, possessing extensive business and commercial knowledge and expertise within the ski resort and tourism industries. Helen has a demonstrated track record of providing tangible results that positively impact on organisational performance. Helen is experienced at initiating strategic change to improve efficiency and bottom-line profitability, without compromising quality of service or standards. Adept at providing leadership throughout an organisation and recognised as a strategic thinker and leader within the industry, Helen's extensive experience on committees and boards in alpine resorts and in tourism more broadly informs her contribution towards the future direction of Victoria's Alpine Resorts.



PETER VALERIO

Common Board Member

Peter Valerio was appointed to the Board on 30 March 2018. Peter has over 30 years' tourism experience in commercial and public sector roles. He was General Manager for NAME IT. He co-authored the world's first destination branding strategy for the Australian Tourist Commission, guided the Hong Kong Tourism Board's global marketing strategy, helped steer the positioning and development strategy of the Sydney Olympics precinct and led the development of the world's first regional branding strategy (Far North Qld). He has played a lead role in local and regional tourism strategies including those for the Blue Mountains, Southern Highlands, Shoalhaven, Byron Bay, Broken Hill, Kakadu and the High Country. He was a faculty member of Hawaii's Executive Development Institute for Tourism. He holds a Bachelor of Economics and has lectured in the MBA subjects of tourism planning and international tourism marketing.

2022 BOARD SUBCOMMITTEE MEMBERSHIP & ATTENDANCE

The RMB had three subcommittees in 2022 to ensure sound governance and enable focus on strategic priorities of the organisation.

Finance, Risk & Audit Sub-committee (FRAC)

- + Michelle Croughan (Chair)
- + Anthea Packer
- + Peter Valerio

People, Culture & Remuneration Sub-committee (PCR)

- + Helen Moran (Chair)
- + Andrew Skewes
- + Anthea Packer

Resorts Development Committee (RDC)

- + Andrew Skewes (Chair)
- + Michelle Croughan
- + Helen Moran

Table 01: Board committee attendance

2022 Board Members	Board	FRAC	PCR	RDC
<i>Total Meetings</i>	6	5	2	3
Andrew Skewes	6	-	2	3
Anthea Packer	6	5	2	-
Michelle Croughan	5	5	-	2
Helen Moran	6	-	2	3
Peter Valerio	6	4	-	-



STRATEGIC DIRECTION





THE ORGANISATION'S STRATEGIC FOCUS FOR 2022 WAS ON CONTINUING TO DRIVE DEVELOPMENT IN THE RESORT TO DELIVER STRATEGIC GROWTH AND SUPPORT THE EXPANSION OF YEAR-ROUND ACTIVITY.

VISION

To establish Mt Hotham as a lead regional tourism destination with a thriving year-round economy, delivered within an environmentally sustainable framework.

MISSION

The RMB will build Mt Hotham's competitive advantage via new and rejuvenated infrastructure, services and experiences. This will be achieved through collaborating with public, private and community entities, and actively planning for and seeking investment in future resort growth.

Consistent with these vision and mission statements, the RMB has adopted an approach that focuses on resort revitalisation and growth by stimulating investment that is in line with the Mt Hotham Masterplan. The Masterplan, created in consultation with stakeholders, establishes a long-term view for the development and growth of the resort and identifies five key precincts for development.

The RMB also operates consistently with the *Alpine Resorts Strategic Plan 2020-2025 (ARSP)*, an industry-wide strategy that looks to build a long-term and sustainable resort sector, along with enabling objectives required for the RMB to operate optimally.

In broad terms, this includes a focus on enabling investment; sustaining the mountain environment; improving the visitor experience; delivering efficient and effective services; and enhancing organisational capability. This annual report has been developed in a format consistent with these strategic focus areas.

FINANCIAL SUMMARY & ECONOMIC KPIS

CUSTOMER SERVICE	2018	2019	2020	2021	2022
Total Visitor Days (Winter)	389,401	403,063	55,903	217,363	467,498
Market Share (Visitor Days) Victorian major resorts	26.87%	28.25%	30.58%	32.29%	28.34%
Accident Rate/'000 Skier Days (Hotham Historical average)	1.2	1.5	0.48	1.09	1.54
OPERATIONS					
Property Revenue/FECA	72.02	70.56	59.86	68.66	54.78
Infrastructure and Admin costs/FECA	82.72	77.58	69.58	76.36	72.30
Village, Visitor and Marketing costs/Visitor Days	10.66	12.37	55.11	22.94	11.86
RESORT INVESTMENT					
Total Village Size (FECA)	86,095	85,322	86,926	86,686	88,559
Total CAPEX ('000) (includes Geotech and WIP)	1.2	2.5	1.9	7.8	1.9
FINANCIAL					
Outstanding Debtors as % of revenue	9.35	6.41	17.34	14.98	9.05
Closing Cash	5,456	5,222	3,778	3,922	11,676
Operating Cash Flow/Total Assets	2.63	3.27	0.68	7.41	9.33
Current Assets/Current Liabilities	2.91	2.39	1.34	1.12	1.26
FINANCIAL SUMMARY \$ ('000)	2018	2019	2020	2021	2022
Total Assets	83,905	84,971	84,913	109,398	124,589
Total Liabilities	3,644	3,878	5,933	7,298	11,791
Net Assets	80,261	81,093	78,980	102,100	112,798
Assets are comprised by class					
Land	30,821	30,821	30,821	38,336	44,523
Financial	6,654	6,072	6,155	6,601	13,264
Other Non-Financials	46,430	48,079	47,937	64,461	66,366
Total Assets	83,905	84,972	84,913	109,398	124,153

**FIVE YEAR REVENUE
AND EXPENDITURE OVERVIEW**

Revenue					
Site Rental	1,326	1,284	271	820	806
Annual Service Charges	4,791	4,736	4,932	5,132	4,045
Service Charges - Infrastructure Fees	48	64	56	55	19
Visitors	3,714	3,945	459	2,415	6,073
Grants	162	433	264	2,415	6,073
DELWP Support Funding	-	-	589	72	76
Other Sources	2,768	2,793	1,074	6,973	447
Total Revenue	12,808	13,255	7,645	17,881	17,538
EXPENDITURE					
Operating Expenses	10,369	10,447	7,359	10,772	11,345
Depreciation	1,583	1,610	1,980	1,737	1,495
Finance Expenses	85	81	73	65	42
Support Payments	212	286	291	66	145
Total Expenditure	12,249	12,424	9,703	12,640	13,027
NET OPERATING RESULT	559	831	#REF!	5,242	4,511

CALCULATION OF SECTION 4. THE PERFORMANCE TARGETS OF THE BOARD

	2018	2019	2020	2021	2022
NET CASH FLOW					
<i>Net Operating Cash flow plus Net Investing Cash Flow as reported in Cash Flow Statement</i>	2,827,559	890,905	(1,313,280)	277,861	7,856,977
NET ACCRUAL SURPLUS					
<i>Net Profit before allocation to Reserves as reported in the Statement of Financial Performance</i>	607,565	830,971	(2,112,317)	5,241,791	5,011,538
BUSINESS CYCLE SUSTAINABILITY					
<i>Ratio of Total Financial Assets less Net Accounts payable less Total Accrued Employee Entitlements to Snow Drought Reserve Target</i>	3.68	3.67	4.06	(13.13)	N/A
ASSET CYCLE SUSTAINABILITY					
<i>Ratio of Total Financial Assets less Net Accounts payable less Total Accrued Employee Entitlements less Snow Drought fund to Total Accumulated Depreciation of all Assets.</i>	0.24	0.22	(0.80)	(1.49)	0.02
ALL SEASON RESORT					
<i>Ratio of non winter visitors to winter visitors</i>	0.96	1.12	1.75	0.78	0.79
AVERAGE WINTER SPEND					
<i>Ratio of Total Revenues to Total Visitors (winter and non winter)</i>	44.11	40.87	49.42	46.15	45.79

CONSULTANTS

There were 15 consultants engaged in projects with the RMB in 2022. The total of 11 consultancies valued at less than \$10,000 was \$42,091.29. The following table lists the four consultants where total remuneration was \$10,000 or above.

Consultancies	Project	\$
ATF THE DAVERN FAMILY TRUST	Building Consultant Fees	28,000.00
GHD Pty Ltd		14,080.00
Horizon Studio	Architectural Design	52,924.67
Urban Enterprises Pty Ltd		14,500.00

MAJOR CONTRACTS

The RMB did not enter into any contracts greater than \$10 million during the reporting period.

ADVERTISING EXPENDITURE

The RMB's expenditure in the 2022 reporting period on government campaign expenditure did not exceed \$100,000.

CAPITAL PROJECTS

Nil reports. The RMB did not complete a capital project in 2022 that exceeded the disclosure threshold of \$10 million Total Estimated Investment.

ICT EXPENDITURE

Total ICT expenditure for the 2022 period

Expenditure Category	Description	\$
Business As Usual	Operating Expenditure	386,517
Non-Business As Usual	Capital Expenditure	10,458
Total ICT		396,975

HISTORY OF THE

MT HOTHAM RESORT



At least 18,000 years ago to now

GUNAIKURNAI LIVE IN THE GIPPSLAND REGION INCLUDING THE SOUTHERN SLOPES OF THE MOUNTAIN RANGES IN THE MT HOTHAM REGION.

TAUNGURUNG LIVE IN NORTH EAST VICTORIA INCLUDING THE NORTHERN SLOPES OF THE MOUNTAIN RANGES IN THE MT HOTHAM AREA.

1860s

Brocket and Louisville mining towns established in the Upper Dargo area.

1883

In the 1860s, significant gold deposits were found in the Hotham area, resulting in mining camps and commercial centres established in Upper Dargo and Cobungra Diggings. Cobungra Town was established in 1883.

1885

Road upgraded from mining track by Omeo and Bright shires.

1923

Country Roads Board takes responsibility of the Alpine Road between Harrietville and Omeo.

1925

Feathertop Bungalow built by Bill Spargo, establishing the first ski resort at Mt Hotham.

1939

In January Black Friday fires razed most of the buildings at Mt Hotham resort. Hotham Heights was rebuilt in time for the ski season but was mostly used for World War II defence force troops on leave.

1940s

After the end of World War II, ski clubs built lodges, re-establishing the Mt Hotham ski resort for holidaymakers.

1952

First ski tow built – the Blue Ribbon nutcracker rope tow – by Ski Tows Limited.

1962

Department of Crown Lands and Survey assumed responsibility for Mt Hotham. Developments included introduction of the zoo cart transport system, addition of rope tows, and installation of the Playground chairlift.

1972

Brockhoff poma opened.

1981

Blue Ribbon chairlift opened.

1983

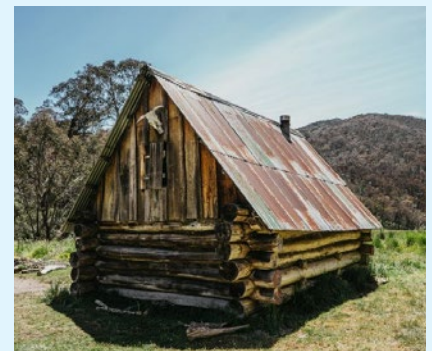
Alpine Resorts Commission formed to manage all Victorian resorts permanently reserved as Crown Land. Developments included sewerage reticulation and treatment, reticulated electricity and gas, and connection to the state grid.

1987

Heavenly Valley quad chairlift replaced the Brockhoff poma.

1992

Village quad chairlift is opened.



1995

BCR Management purchased Ski Tows Limited, which developed new terrain and installed Orchard, Keogh's and Gotcha chairlifts. The Roadrunner chairlift was also installed, replacing the Sun Run T-bar (built in 1979).

1996

Road sealing between Harrietville and Dinner Plain completed and the road named the Great Alpine Road.



HISTORY OF THE MT HOTHAM RESORT

1998

Separate management boards established for Victorian ski resorts and Mt Hotham Alpine Resort Management Board assumed management of Mt Hotham.

2004

MFS Living and Leisure Limited acquired the Mt Hotham Skiing Company.

2010

Native Title Agreement and a Recognition and Settlement Agreement signed with Gunaikurnai Land and Waters Aboriginal Corporation.

2011

Merlin Entertainment Group acquired the Mount Hotham Skiing Company.

2019

Vail Resorts acquired the Mount Hotham Skiing Company.



2020

Recognition and Settlement Agreement signed with Taungurung Land and Waters Council.

2022

Victorian alpine resorts amalgamated under the new body, Alpine Resorts Victoria.



ENABLE INVESTMENT





WHILE COVID-19 SIGNIFICANTLY IMPACTED MT HOTHAM RESORT OPERATIONS IN 2020 AND 2021, PROGRESS CONTINUED ON THE RMB'S MT HOTHAM RESORT MASTERPLAN. AMBITIOUS IMPROVEMENTS TO THE RESORT'S VISITOR FACILITIES INCLUDE ENHANCED CAR PARKING, NEW RECREATION AND SPORTS PRECINCTS, ACCESSIBLE FACILITIES AND THE DEVELOPMENT OF ADDITIONAL RETAIL OUTLETS.

Development efforts were challenged by COVID-19 restrictions on the construction industry and a wet start to the year, but positive progress was made and winter visitors in 2022 took advantage of a much-invigorated resort environment. The Alpine Gateway car park operated throughout winter, alleviating some of the pressure from record car numbers, and the Hotham Alpine Base at Whiskey Flat opened in late May, providing much-needed modern facilities for biathletes and cross country skiers.

MT HOTHAM VISITOR ECONOMY GROWTH AND RESILIENCE PROJECT

In 2021, the Victorian Government committed \$2.8 million to the RMB for the Mt Hotham Visitor Economy Growth and Resilience Project. This project comprises a package of works that includes three key components: marketing, product development and resort placemaking.

This package has been developed to drive year-round visitation and yield opportunities for the resort, accelerating its recovery and stimulating strategic growth. This project will deliver immediate economic uplift to help businesses recover from the impacts of COVID-19 along with creating new sources of competitive advantage to support long-term sustainability.

The largest component of this project is the Phase One Placemaking initiative, which aims to improve the sense of arrival by enhancing the resort gateway aesthetics between the Hull Skier Bridge and Zirky's. Planning for this project is complete with works scheduled to commence prior to the 2023 ski season.

ALPINE GATEWAY

Despite COVID-19-induced workforce challenges and wet weather shutdowns, driven largely by La Nina storm events, work on the Alpine Gateway project continued during the 2021–22 summer season. This critical project, funded under a range of stimulus packages, will provide a year-round visitor facility and multi-level car park at the current Loch Car Park site.

In winter this will offer guests significantly improved parking options with direct all-ability access to the skifields. In summer it will operate as the trailhead for a number of iconic walks including the Falls to Hotham Alpine Crossing.

The car park structure was completed prior to the 2022 winter season and full completion is scheduled ahead of the 2023 ski season.

HOTHAM CENTRAL PRECINCT

During 2022, the RMB continued to progress the development of the Hotham Central Precinct. Focusing on a vibrant village hub, the development will centralise a revitalised commercial and administrative offering in the precinct. It will markedly improve the urban form and visitor experience offered at Mt Hotham and support effective placemaking for the local community.

A comprehensive land release campaign was undertaken during the 2022 winter season through a Request for Tender process. Several submissions were received and negotiations with suitably qualified developers are underway.

In alignment with this project, the RMB secured a \$480,000 grant as part of the Victorian Government's *Investment Fast-Track Fund* to scope the Hotham Business, Visitor and Community Centre. This project will deliver a new facility to sit adjacent to the private development in the Hotham Central Precinct, centralising public amenity and a new range of business and visitor services within the one building. This work will then support efforts to secure implementation funding.

HOTHAM ALPINE BASE

In October 2021 work commenced at Whiskey Flat, with support from the Victorian Government's *Local Sport Infrastructure Strategic Facilities Fund*. Fully completed during the 2021-22 summer season, the project delivered a new multipurpose public facility incorporating community space, a public shelter, flexible meeting rooms, change rooms, toilets and showers, storage space and basic kitchen facilities to provide catering options for groups and events. The completion of the facility has been welcomed by the Mt Hotham community and wider user groups.

Australia's only biathlon shooting range is located at this site, so this new development is instrumental in positioning Mt Hotham as the lead biathlon training site in the southern hemisphere. This facility will also provide year-round benefits to visitors, from cross country skiers in winter through to hikers and cyclists during the warmer months. The new infrastructure is environmentally sensitive using insulation, water saving and re-use measures and efficient lighting control to minimise energy and water consumption.

HOTHAM HUB

Consistent with the *Mt Hotham Masterplan*, a new recreation and tourism precinct via the implementation of a snow play and activity hub is being developed at Wire Plain. Central to this development is a new facility, the Hotham Hub, which will include a day centre with public amenities, a food and beverage and retail offering, commercial activity counter and space that can be utilised for year-round events and functions.

The Hotham Hub development will offer an holistic destination experience enabling new winter activity offerings such as a snow play park, snow-tubing, magic carpet access and snow making.

In summer, the Hub will support green-season activation, providing a natural launch point for a range of recreational activities like hiking and biking supported by new tours and rentals. It will also be used for summer concerts, private functions and environmental programs for school, community and special interest groups.

In 2021, the RMB secured \$2.5m from the *Local Economic Recovery* program, jointly funded by the Australian and Victorian Governments, to deliver phase one of the project, which is scheduled to commence during the 2022-23 summer construction season.

The development will include associated works such as improvements to traffic and transport arrangements, landscaping design, cultural heritage management plan and environmental impact assessments. The RMB continues to investigate feasibility of snowmaking at the precinct and definition of surrounding activity areas.

Additionally, trail upgrade works at Dargo Lookout and Possum Flat will be undertaken during summer 2022-23. These works will provide improved access to the trail network in both summer and winter and will align with the proposed development of the Hotham Hub at Wire Plain.



PROTECT THE

ENVIRONMENT





A KEY PART OF THE RMB'S ROLE IS TO ENSURE THE PROTECTION AND ENHANCEMENT OF THE NATURAL ENVIRONMENT WITHIN THE RESORT. THE RESORT HAS HIGH BIODIVERSITY AND CONSERVATION VALUES WITH SEVERAL THREATENED SPECIES KNOWN TO OCCUR WITHIN THE RESORT, AND THE RMB HAS A RESPONSIBILITY TO ENSURE LAND IS MANAGED IN A SUSTAINABLE MANNER WHICH IS COMPATIBLE WITH THE ALPINE ENVIRONMENT.

EMISSIONS REDUCTIONS

Winter 2022 saw a significant increase in resort visitors compared to the previous two winter periods with greenhouse gas emissions also increasing to levels in alignment with previous seasons.

Table 2: Greenhouse gas emissions – RMB's operations

	2019	2020	2021	2022
Electricity (Tonnes CO2-e)	1047.96	834.35	1108.96	1050.64
Diesel (Tonnes CO2-e)	533.28	247.44	446.61	453.51
ULP (Tonnes CO2-e)	31.83	18.49	24.64	30.29
LPG (Tonnes CO2-e)	211.19	184.95	127.15	177.03
Total (Tonnes CO2-e)	1824.26	1285.24	1707.35	1711.49

Table 3: RMB Climate Change Metrics

THEME	METRIC	UNIT
Tourism - Winter	Declared snow season	122 days
	Visitor days	467,498
	Visitors	212,891
	Maximum natural snow depth and date	152cm, 18 September 2022
	Total accumulated snowfall	441 cm
Tourism - Summer	Visitors	170,092 persons
Tourism - all season resort	Total annual visitors	382,983
	All-season resort index (ratio of non-winter visitors to winter visitors)	1:1.25
Sustainability - Water	Potable water consumption:	
	a) Winter total potable water usage	57.21 ML
	b) Annual total potable water usage	72.76 ML
	c) Winter total potable water usage/visitor	268.73
	Recycled water produced	2.1 ML
	Statutory Compliance	100%
Sustainability - Energy	Renewable energy consumption by Board	0%
	Greenhouse Gas Emissions - by fuel type (carbon dioxide equivalence):	
	a) Electricity	1050.64 CO ₂ -e tonnes
	b) LPG	453.51 CO ₂ -e tonnes
	c) Diesel	30.29 CO ₂ -e tonnes
	d) Unleaded Petrol	177.03 CO ₂ -e tonnes
Total	1711.49 CO₂-e tonnes	
Sustainability - Waste	Total solid waste tonnage	373.93 Tonnes
	Solid waste disposed to landfill:	
	a) Annual tonnage	a) 138.52T
	b) Winter tonnage	b) 120.57T
	c) Winter kilograms/visitor days	c) 0.26
Waste diverted from landfill %:		
+ Recyclables	37% (including crushed glass)	
+ Organics	23%	



BIODIVERSITY CONSERVATION INITIATIVES

The environment team continued with annual works programs aimed at habitat improvement including revegetation, weed and predator control.

The RMB received funding for the restoration of boulderfield habitat at the historic quarry site through the Bushfire Recovery for Species and Landscapes Program, supported by the North East Catchment Management Authority (NECMA) funded by the Australian Government. Weed control works were initiated in early 2021 and supplemented with boulderfield augmentation and revegetation in 2022. Over 400 cubic metres of rock, or 600 tonnes of boulders, was placed on site.

Revegetation works at the Little Higginbotham Quarry site during April 2022 placed 3,500 grasses, herbs and shrubs, with a particular focus on species known to provide food sources for Mountain Pygmy-possums.

In 2022 the RMB continued to implement monitoring and control work to reduce the impact of feral cats and foxes on alpine species. This work continues to be supported by North East Catchment Management Authority, through funding from the Australian Government's National Landcare Program.

Pest predator control is informed by an extensive monitoring program which utilises remote sensing cameras to monitor activity across tracks and trail networks. The RMB engages contractors to undertake ground shooting and cage trapping work during control programs. In addition, the RMB works collaboratively with Parks Victoria to implement a wider landscape scale 1080 baiting program.

DOG POLICY

Victoria's alpine regions are amongst the most biodiverse regions in Australia. Domestic animals pose a risk to our native wildlife and sensitive alpine environment and it is part of the RMB's role to manage the presence of pets within the resort. However, the RMB acknowledges that year-round residents may wish to bring their dogs with them into the resort, so manages a strict dog permit system to control the presence of dogs.

In 2022, the dog permit policy was reviewed and refined, tightening the conditions for dog permits. Short-term permits will be phased out during the 2022-23 summer period and will not be available after 31 May 2023.

To further support the management of dogs, the RMB has trained several Authorised Officers who will monitor the resort, provide education to dog owners, and have the capacity to issue infringements to non-compliant dog owners.

VICTORIAN ALPS NURSERY

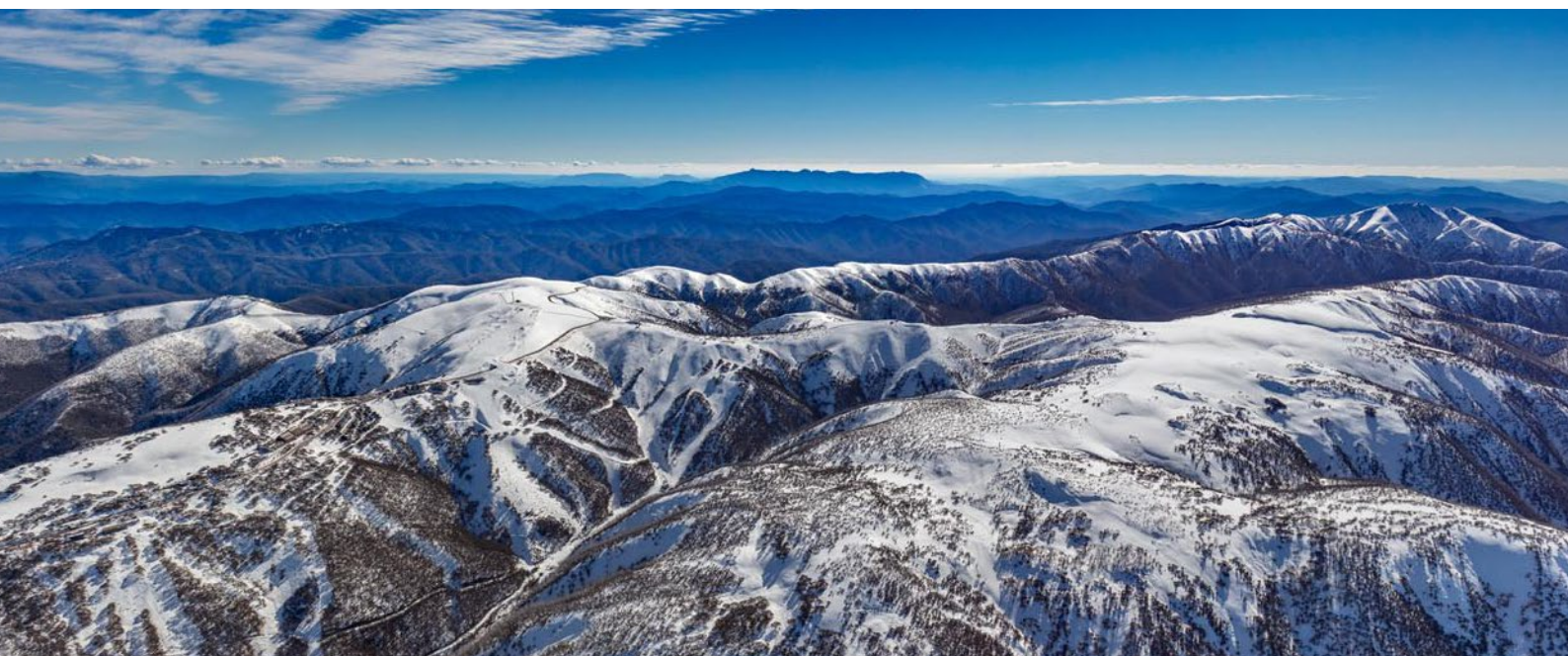
The Victorian Alps Nursery is a unique operation specialising in propagating and producing alpine flora for use by multiple clients. It plays an important role in preserving local indigenous flora, propagating a large variety of alpine and sub-alpine species for rehabilitation and restoration projects.

In 2022, plant sales revenue totalled \$211,000 with over 50,000 plants sold. Field work conducting revegetation consultations and alpine plant seed collection contributed another \$15,000 revenue.

Confirmed orders are already in place for 49,000 plants to deliver in 2023. Order requests are increasing in the Perisher Valley region particularly, with orders through NSW National Parks and Wildlife Service and Vail Resorts increasing by almost 50% on 2021 – testament to the high-quality standards the nursery maintains.

Notable projects in 2022 include:

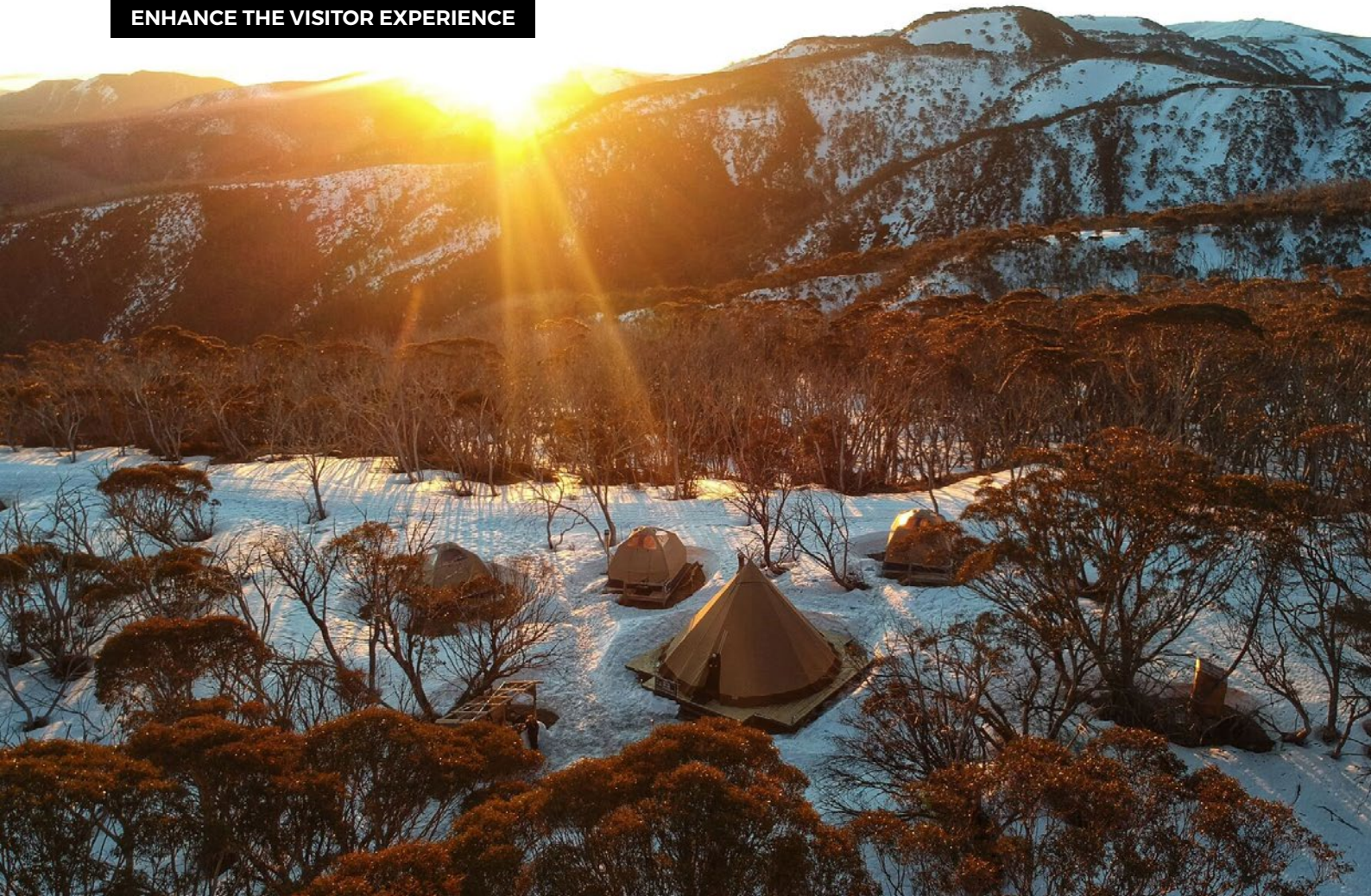
- + The third year of plant supply for the Mt Buller Water Security Project (a 10-year project) for Mt Buller and Mt Stirling Resort Management. The nursery produced 15,000 alpine plants to continue work on the Ecological Restoration Plan of Boggy Creek Reservoir and associated bogs rehabilitation.
- + Supplying plants and seed to students at Deakin University Melbourne and ANU Canberra, enabling various studies on the effects of climate change on vegetation in the Alps.
- + Furthering supply of local lowland plants to Landcare groups in our region, with new clients Stanley Landcare, Beechworth Urban Landcare, and Kiewa Catchment Landcare groups placing orders this year. The nursery continued the ongoing supply to other local groups Myrtleford, Upper Ovens and Mudgegonga Landcare with combined sales of over 5,000 plants.
- + 7,000 possum food plants were delivered across alpine resorts Mt Buller, Mt Hotham and Falls Creek to support funded projects for the Mountain Pygmy-possum Habitat and Food Resources Projects.



ENHANCE THE

VISITOR EXPERIENCE





MT HOTHAM IS UNIQUELY POSITIONED TO BE A LEAD REGIONAL DESTINATION WITH COMPELLING AND MEMORABLE SUMMER AND WINTER OFFERINGS, AND THE RMB'S MASTERPLAN ACTIVATION STRATEGY, MARKETING STRATEGIES AND THE WALKING MASTERPLAN ARE DESIGNED TO DELIVER THIS RESULT OVER THE COMING YEARS.

Providing excellent services to visitors is an important part of the successful delivery of these strategies, 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. Visitor Services strives to leverage Mt Hotham's traditional reputation as the friendliest alpine destination with face-to-face support while also providing the tools for those who like to do their own research and travel independently, such as the Hotham website, resort signage, and visitor collateral.

A focus area for Visitor Services during 2022 was the continued promotion of Mt Hotham's non-skifield activities and businesses to further position the resort as a holiday destination with something for everyone, delivering key visitor supporting services including visitor information, village transport and Ski Patrol.



In 2022 visitor experience priorities included:

- + Exceed visitor expectations through the delivery of exemplary resort services;
- + Prepare and distribute inspiring communications through relevant channels to facilitate pre-arrival planning and enhance in-resort experiences;
- + Ensure current resort services and operations are fit for purpose and meet visitor expectations;
- + Providing a seamless and safe experience when using RMB-provided services and accessing areas controlled by the RMB.

The resort has also gained traction on planning for future growth and to this end was working during 2022 on developing attractive resort experiences to drive return visitation from existing markets and tempt new visitors to make the journey to Mt Hotham and stay on-mountain. This will be achieved by working both independently and with mountain businesses to scope new tourism products and experiences to meet the needs of current and potential visitors.

This work will be supported by engaging year-round marketing programs that inspire consideration, promote conversion and generate brand loyalty.

RESORT SERVICES

Exceed visitor expectations through the delivery of exemplary resort services.

The RMB is responsible for the delivery of a range of resort visitor services. These are often the first touchpoint the guest has with the resort, and it is critical that service delivery standards are high. While the year commenced with a range of COVID-19 restrictions in place, by winter most restrictions had eased and the resort operated for the most part in a business-as-usual manner.

The key difference in winter 2022 was the consistently high visitation levels, with the traditionally quieter early and mid-week periods being busy. The peak periods (weekends and school holidays) were booked out well in advance and near or at capacity for the whole season.

In a record season, with unprecedented visitor numbers, securing and retaining staff and accessing accommodation proved to be one of the greatest challenges for the winter 2022 season.

Visitation

Summer 2021-22 visitation levels were high, with numbers exceeding pre-COVID-19 levels. Guests undertook a range of activities including walking, cycling and trail running.

Following two Winter seasons dramatically impacted by COVID-19 restrictions, winter 2022 saw the pent-up demand released, breaking all visitation records. Following heavy early snowfalls, the resort opened a week early on Saturday 4 June and by week 17 had seen 212,891 visitors stay, a total of 467,498 visitor days, 101% up on the 10-year average. The busiest day of the season saw 2166 vehicles enter the resort. Capacity issues at Falls Creek and Mt Buller drove additional visitors to the resort.

Resort Entry

The Visitor Services team manages the sale of the Resort Entry permit products including day and multiday casual permits and season permits. Ahead of the season, pent-up demand following two COVID-19 impacted seasons saw unusually high numbers of season permits being sold, and record visitation levels led to a significant increase in permit sales and revenue.

2022 Resort Entry season permits were available from early April with the RMB experiencing strong sales of season permits throughout the season. Day Resort Entry permits were available from late May and sales remained high all season reflecting the excellent snow conditions from the start of the season all the way through to closing weekend.

The team implemented a number of improvements to the Resort Entry sales platform prior to the start of the season which provided visitors with additional self-service features and the ability to purchase more Resort Entry products online.

Table 4: Resort Entry Permit Sales in 2022

Permit type	Number sold	Total revenue
Day Resort Entry permits sold	87,580 days	\$4,781,716.00
Resort Entry season permit	2,642 permits	\$1,334,745.00
Staff permits	180 permits	\$20,400.00
Total		\$6,136,861.00

Compliance and infringements

An overhaul of the Resort Entry permit, license plate recognition and vehicle compliance and infringement system saw an enhanced management structure that delivered more timely, transparent and efficient outcomes for guests, and strengthened the financial base for the resort.

\$418,195.00 of infringements were issued across the 2022 season, the majority for stopping in the resort without a permit, underscoring the need for enforcement in Harrietville prior to arrival at Mt Hotham and supporting the case for a proposed gate at Mother Johnsons on the Omeo approach.

Parking

Mt Hotham’s Visitor Services Officers parked approximately 150,000 vehicles over the 17-week winter period, an increase of 84% on the 10-year average and 54% on 2019. The busiest day of the season saw the team park a record 2166 vehicles.

Informal parking areas were created to manage day visitor overflow on the Great Alpine Road to Hotham Alpine Base at Whiskey Flat. The closure of Falls Creek and Mt Buller on several key weekends contributed to the upswing in visitor numbers. It was apparent from the influx of new visitors that a new market of day visitors is emerging, often from culturally and linguistically diverse backgrounds, presenting an excellent opportunity for market growth. A *New Visitor Working Group* has been established with mountain stakeholders to explore opportunities to better serve this market.

Harrietville customer service point

To enhance visitor safety on the road, provide visitor information services and improve Resort Entry compliance, the RMB reinstated a customer service point on the Harrietville approach, utilising infrastructure and learnings from capacity management requirements during 2020 and 2021. The Harrietville approach entry gate of past years was located at Buckland Gap, potentially beyond the point at which wheel chains may be required, but in 2022 the customer service point was installed at Harrietville. This enabled staff to provide guests with real-time resort information, assist with the purchase of Resort Entry permits, and check for compliance with wheel chain regulations before guests entered the resort boundary.

This initiative was considered an outstanding success, with over 70% of vehicles with day or multi-day Resort Entry permits stopped and checked for wheel chain compliance and Resort Entry permits. Resort Entry season permit holders were not stopped. Over 5,000 vehicles were returned to Harrietville to collect wheel chains, thereby improving the safety on the road and overall visitor experience. In 2023 Mt Hotham will reopen the Mother Johnson’s gate to assist guests arriving from the Omeo approach.



Transit operations

Record visitor numbers combined with staff shortages presented challenges for the intra-village transit service operator, Alpine Spirit, which delivered intra-village transport services throughout winter 2022, working closely with the RMB to meet the evolving COVID-19 requirements impacting resort access and operations. While the provider was challenged by COVID-19 related workforce issues, varying passenger levels and strict compliance, the operator maintained a strong commitment to delivering a quality service to resort guests.

Ski Patrol

Winter started with one of the biggest early season storms in decades, then continued with small regular snow events supplemented with good snowmaking conditions throughout the season. This ensured a good cover across most of the resort until closing weekend.

With expectations of a busy season, additional staff were recruited for both the Ski Patrol and the mountain safety teams. Training began a week earlier than usual to allow more time to refresh skills after two COVID-19 impacted winters. However due to the big storm event in early June, some lifts opened on 4 June and much of the mountain opened on the Queen’s Birthday weekend. This required patrollers to be rostered on regular duties and deploy on-slope safety equipment, resulting in limited training time pre-season.

**WINTER VILLAGE
TRANSPORT OPERATIONS**



122 consecutive days of operation



Five buses operated every day on average from 7:00 am to 1:00 am



An estimated average of 11,400 people per day were moved during peak periods



The village transport service moved an estimated 1,356,600 people for the season

**SKI PATROL
CALLOUTS**



1,443 callouts for the winter

- + For comparison, 988 is the 10-year average
- + Approximately 40% required further treatment at the Medical Centre



There were two reported toboggan incidents on the managed toboggan slopes



Several in-resort and nearby backcountry incidents required ropes, crampons and ice axes for safe extraction

Callouts

Due to early visitation numbers, the number of callouts during the first four weeks was unprecedented (tracking 400% above average). Callouts levelled off during the peak season but still easily surpassed all previous winters and ended up approximately 45% above average. COVID-19 isolation and other illness significantly impacted staffing levels at times, especially during early to mid-season.

Lift Operations

The great snow cover throughout the winter ensured that most lifts operated and most runs were open for many more days than the average. The exception to this was the Blue Ribbon chairlift, which due to the warmer snowfalls and its lower elevation did not open at all for the season. However, the upper Blue Ribbon runs were often open above Davenport Access Trail, although this also suffered from lack of snow for much of the winter.

Avalanches

The large snowfalls during the early winter accounted for two very significant avalanche cycles in the resort and nearby backcountry. Ski Patrol undertook avalanche control work on several occasions and closed areas when required to mitigate the hazard. There were no reports of major incidents within the ski area or backcountry terrain.

Backcountry

Backcountry use has continued to expand exponentially, and there are many guests enjoying Mt Hotham's surrounding terrain daily. A Backcountry Report and Safety page was developed and went live on the Hotham website in June. The page includes the backcountry safety film that the Hotham Ski Patrol helped to produce in 2021.

Ski Patrol responded to several incidents in the nearby backcountry, some requiring time and resource-intensive roped extraction from hard to access locations. Fortunately, the injuries were not critical.

Ski Patrol also had two significant searches in the nearby backcountry. Both resulted in the parties being found and recovered without incident.

MARKETING

Implement engaging year-round marketing programs that inspire consideration, promote conversion and generate brand loyalty.

Across 2022 the RMB ran a range of marketing initiatives to drive resort visitation and enhance the visitor experience, building economic growth and sustainability for mountain stakeholders. The resort is in the second year of a three-year destination marketing program.

Summer marketing efforts focused on increasing brand awareness in core markets, across the pillar products of walking, hiking and cycling. The easing of COVID-19 travel restrictions saw strong visitor numbers in the resort, and a high uptake of accommodation and activities throughout the summer season.

To support summer marketing, the RMB again partnered with Tourism North East on an Alpine Peaks social and digital campaign, the Walk High Country Festival and a range of Ride High Country initiatives.

Marketing Partnerships

2022 saw the RMB continue to develop valuable marketing partnerships with key resort stakeholders to maximise use of RMB resources and extend the reach and impact of marketing activities.

The Hotham Community Marketing Committee (CMC) is a critical liaison point between resort management and business operators. In 2022 the CMC provided input into strategic direction along with feedback on the development of marketing campaigns and events. This strengthened the brand message across the resort's marketing activities.

The resort also worked with Tourism North East, Mt Buller and Falls Creek on the co-operative 'Snow Victoria' campaign that sought to drive midweek visitation to level out visitation peaks and troughs throughout the winter 2022 season, under the campaign tag 'Make it Midweek'.

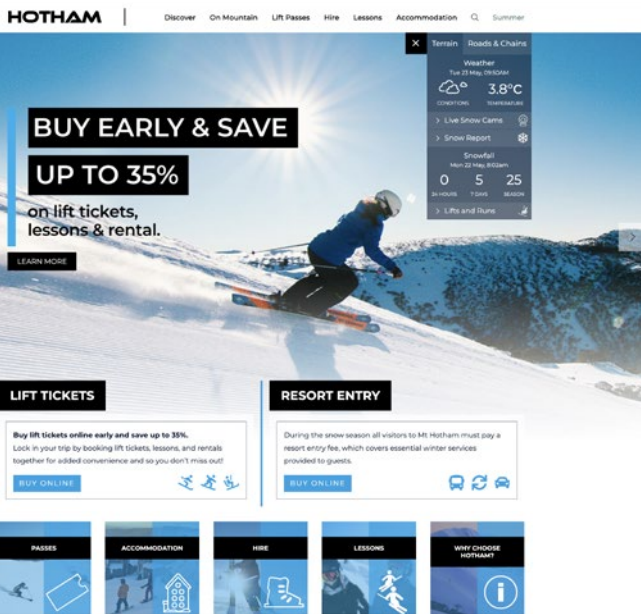
Three-Year Strategic Marketing Plan

In 2021 the RMB Corporate Plan recognised that to drive demand for the Mt Hotham product offering, a strategic marketing program was required across both summer and winter, outlining targeted marketing and communications efforts, led by a strong and unified brand. The resort marketing team continued to deliver on the *Three Year Strategic Marketing Plan: Summer 2021/22 - 2023/24*. This plan focuses on the resort's competitive strengths, which will position Mt Hotham as the lead walking destination in the State and a category leader in road cycling.

Winter 2022 marketing

The winter campaign launched in May 2022, with a high-impact multi-channel program. Using updated imagery, and reconsidered positioning, the resort offering was pitched to appeal to a broader audience whilst retaining the loyal committed skier base. Visitor numbers, buoyed by the pent-up demand created by two 'closed' seasons and excellent early snowfalls, reached record levels.

A range of channels including regional TV, radio, billboards, digital, broadcast video on demand, search, and display were utilised. The campaign met or exceeded benchmarks on all metrics.



EVENTS

2022 was a challenging year for winter events, mainly due to staffing issues that continued to be felt across all businesses and industry sectors. The Backcountry Festival was held at Mt Hotham for the third year and again grew its participant numbers. This festival leverages the growing interest in activities outside of the skifield and creates awareness of other areas of the Mt Hotham resort. The RMB provided in-kind support for the event.

Mount Hotham Skiing Company celebrated 70 years of lifted operations at Mt Hotham with Retro Day, and for the first time in three years was able to run a full program of on-snow competitions including International Ski and Snowboard Federation and local sporting events.

Chicks with Stix returned to Hotham to run their weekend of free shred sessions for women, run by some of the best female snowsports athletes in Australia. Australian Biathlon held a Festival of Biathlon, open to all comers to showcase the sport and allow newcomers to try it, as well as the 2022 Victorian Championship. These are important events for Australian biathlon development pathways. For example, as a result of this program being run in past years, Mt Hotham local, Brock Holder, was selected to represent Australia in the 2023 International Biathlon Youth/Junior World Championships in Kazakhstan.

Summer in early 2022 saw a healthy event schedule that included the following:

- + Alpine Challenge (trail running)
- + Above the Clouds (music event at Alpine Nature Experience)
- + Razorback Run
- + Peaks Challenge (cycling)
- + Run to the Hills (music event at The General)

The RMB is focusing on developing new event opportunities for the 2022-23 summer period in addition to supporting longstanding events, with a focus on encouraging event organisers to spend more time in the Mt Hotham village and greater use of our new community facilities.

COMMUNICATIONS

Prepare and distribute inspiring communications through relevant channels to facilitate pre-arrival planning and enhance in-resort experiences.

The complexity of planning a visit to an alpine resort, particularly in winter, means that providing compelling communications to visitors in the planning stages of a journey and while in-resort is a key component to converting visitor interest to demand, and enhancing visitor satisfaction thereby increasing the likelihood of building brand loyalty.

Consumer communications

2022 was the first year the RMB was able to utilise a customer relationship management tool to leverage the Resort Entry database for sending information and promotions to guests. This is an important part of the marketing of Mt Hotham as a destination in both winter and summer.

During winter 2022, the first period of weekly mailouts to the customer base, the emails achieved a healthy average open rate 24.28%, well above the industry average. Average click to open rate was 6.87%, on par with the industry average. The RMB will continue to develop the cooperative content creation program throughout the year.

Website

Jointly managed with MHSC, the website remains one of the primary communication channels for the resort, inspiring visitors to consider Mt Hotham and converting interest to bookings. It also provides information, maps and mountain operator listings to guests while in resort. However, although the website continues to attract significant traffic it has reached 'end-of-life' in terms of user experience. In 2022 the RMB commenced a project to redevelop the website with a view to launching in 2023.

Table 5: Website Visitor statistics

	Users	Page views	Sessions
2019	636,701	2,693,533	1,373,782
2021	262,358	1,465,924	652,481
2022	744,733	3,724,665	1,618,057

Social media / direct marketing

Social media and direct email marketing continue to play a vital role communicating brand and destination marketing. The audience continues to grow, inspired by quality imagery and compelling messaging. These channels also served severe weather and emergency notifications to guests, providing guidance and reassurance.

Tourism Information

The RMB delivers exemplary visitor information services to support guests make the most of their stay.

This is supported with printed and electronic collateral including seasonal maps and guides (refreshed every year) and a weekly *What's On*, which are also distributed to on-mountain businesses and off-mountain visitor information centres.

The Visitor Information Office was open seven days a week during the winter season. The Tourism Information Officers staffing the office provided friendly and efficient services to visitors including the sale of Resort Entry permits. This team faced no staffing issues, so visitor services and information were available via phone, email and in person every day of the winter season.

Outside of winter, the visitor information office is staffed five days week during the quieter months. For the first time the RMB will offer visitor information services in summer 2022-23, further strengthening the resort's commitment to a year-round offer.

Public relations and media

PR and media activity was off to a roaring start as media outlets raced to cover the early snow and the consequent early opening of the resort a week prior to the Queen's Birthday long weekend. A strong focus for news media outlets was the recovery of the resort and its businesses post COVID-19, and it was a welcome change to be able to tell a positive story.

Media visits were up in 2022, including visits from outlets that had not previously visited such as The Age. During early 2022 Mt Hotham hosted media visits from Traveller and Cyclist Magazine, and during winter again hosted Dan Ziffer (ABC's business reporter), and Traveller (52 Weekends Away), Cloud Walks (LGBTQI+ travel bloggers), Walker's Journal, Snow Action, Woman's Day/ New Idea, Lamont Magazine, Escape, and Explore.

The RMB also provided a significant amount of content to print, broadcast and online media outlets through established and new relationships. Major outlets included Sky News, The Age, The Australian, The Guardian, The Australian Financial Review and The Herald Sun.

The cooperation of Mt Hotham operators was crucial to the successful operation of the media / PR program, and the RMB thanks Vail Resorts, Alpine Nature Experience, Jack Frost, The General, Whitemount, Snow Monkey, Traverse Hotham, Hoys and Tirol Sports for their support.

Signage and wayfinding strategy

In March 2022 the RMB completed the *Mt Hotham Wayfinding and Signage Strategy*, working with Nature Tourism Services, a consultancy specialising in this field. The development of this strategy acknowledges that resort signage has proliferated over recent decades and does not conform to a coherent signage protocol, so is often confusing for guests.

The strategy aims to ensure all visitors to Mt Hotham have clear information, in their own language, about resort experiences, risks and regulations, for example the requirement for a valid Resort Entry permit during winter and consequences of non-compliance.

Creating a framework in which guests can confidently make informed choices will result in a vastly improved visitor experience and streamline the RMB's handling of enquiries and issues.

Emergency and severe weather communications

With early snowfalls and a constant high level of traffic into the resort, there were a number of incidents on the road commensurate with the conditions. In addition to the established communications process enacted when the road is impacted by snowfalls or accidents, the resort implemented 'severe weather communications' to proactively advise guests when extreme conditions were expected to make travelling hazardous. Fortunately, during winter 2022 there were no full closures of the road due to the snow conditions. There were two closures due to road accidents.

PRODUCT DEVELOPMENT

Develop attractive resort experiences that satisfy existing markets and inspire new visitors.

The RMB has recognised that visitors are looking for compelling experiences and that these are an essential part of establishing Mt Hotham as a leading regional tourism destination with a thriving year-round economy.

To support the enhancement of the visitor experience, the position of Senior Manager Visitor Experience was created in 2022 to develop new ideas and opportunities, to attract operators to the resort, and to establish and reinforce partnerships with organisations that have complementary objectives.

Partnerships

An identified opportunity for Mt Hotham is the expansion of in-resort activity to appeal to a wider market. To this end the RMB is working with Tourism North East (TNE) on initiatives to enhance the resort's gravel riding experience and cycling signage. TNE has produced a Product Gap Analysis report for the resort that will serve to drive future development opportunities.

Fast Start

An exciting initiative funded through the Visitor Economy Growth and Resilience Fund was developed during 2022 to support on-mountain operators to fast-track new product development concepts. The Mt Hotham Fast Start product development program provides seed funding and business mentoring and enables operators to rapidly develop and implement new product to meet the needs of changing market. The RMB expects new offerings developed through this program to start operating in 2023.

Hotham Alpine Base

The completion of the Hotham Alpine Base at Whiskey Flat was a welcome addition to the resort's year-round guest facilities, and quickly became home to Biathlon Australia and associated teams and clubs. The facility hosted events across the winter season including the Biathlon Futures Camp, the Australian Biathlon Championships, and the Australian Defence Force Nordic and Biathlon Association Interservice Camp.

The Hotham Alpine Base is also used as a day public shelter for snowshoers and cross country skiers and is a vital element in the program of visitor-centric infrastructure for the resort. Feedback from the public was very positive about the new facility, which will be the fulcrum for the development of new activities and events in the currently under-utilised south-eastern part of the resort.

Toboggan and snowplay / cross country skiing

The record visitation of 2022 was most noticeable in the increase in the number of non-skiing day visitors, which had a significant impact on the amenity and facilities at Wire Plain in particular. The new Hotham Hub facility planned for construction at Wire Plain starting in summer 2022-23 will significantly improve visitor amenity and the ability to service the increasing numbers of snowplay guests during winter. Expressions of interest for commercial operations at the new facility were invited during winter 2022.

Cross country skiing also saw a growth in demand from visitors and marginal snow levels were enhanced by the talented snow grooming team which kept the runs open throughout the season. A New Visitor Working Group has been established with mountain stakeholders to explore opportunities to better serve this market.

Summer activities development

Mt Hotham has some of the most desired and inspiring nature-based tourism assets in the State. The Falls to Hotham Alpine Crossing and the Razorback to Feathertop walks are iconic, and in the cycling space, the Great Alpine Road hill-climb is placed in the top five most challenging climbs in Australia.

The RMB has initiated several key projects around walking/hiking and cycling to support the visitor experience and enhance yield opportunities for businesses around these key assets. In the cycling space, the challenge for the RMB is to convert current significant visitor numbers to yield through targeted product development.

Family friendly activities

Mt Hotham’s passive summer family experiences continued to be maintained throughout the green season. This included the Zoo Cart park, the playground, the trampoline, the pump track and the petanque pitch.

Key Summer Activity Projects

WALKING / HIKING

- + To harness the current walking tourism opportunity, the RMB has developed a Walking Tourism Masterplan and business case to guide product development including the on-the-ground walking experience and the commercial activation required to optimise visitor economy growth.
- + With support from Tourism North East the RMB has seen the development of two new resort products, Alpine Nature Experience’s (ANE) Hike and Feast and Where There’s a Grill There’s a Way (ANE and Alpine BBQ)

CYCLING

- + The current focus in the cycling space is on leveraging events and marketing opportunities to promote the road climb between Harrietville and the Hotham village.
- + A new cycling product through ANE is currently in development.
- + Work with Regional Roads Victoria is ongoing to advocate for improvements to the road surface and safety for cyclists and other users.

EFFECTIVE & EFFICIENT

SERVICES





THE RMB ACTS AS THE CROWN'S REPRESENTATIVE FOR LEASING AND OTHER LAND MANAGEMENT FUNCTIONS, INCLUDING PLANNING. IT IS ALSO THE SERVICE PROVIDER FOR LP GAS, DRINKING WATER AND WASTEWATER AT THE RESORT, AND IS RESPONSIBLE FOR MUNICIPAL EMERGENCY MANAGEMENT.

PROPERTY, PLANNING AND DEVELOPMENT

The RMB continued to work with the State Government to support commercial leaseholders who had suffered economic losses due to COVID-19 impacts. In alignment with the State Government's *Commercial Tenancy Relief Scheme* in 2020 and 2021, the RMB was able to offer rent relief for commercial head lessees for the period 26 July 2021 to 15 January 2022.

LEASING

The Alpine Resorts Coordinating Council commenced a review of the 2002 *Alpine Resorts Leasing Policy* in 2019. The impacts of COVID-19 halted the review and implementation of the revised policy has been delayed. While the policy review is still underway, leasing at Mt Hotham continues to be administered under the 2002 policy which can be found at: rmb.mthotham.com.au/Property-Planning/Alpine-Leases-and-Sub-Leases

BUILDING SERVICES

Building inspections are carried out on a triennial basis in line with a tenant's lease. The inspection program focuses on ensuring existing buildings achieve a satisfactory level of fire and life safety, building standards of occupancy and bushfire compliance. During the inspection process, the Fully Enclosed Covered Area (FECA) of all buildings is measured for rating purposes.

Under the *Building Act 1993* s212, the RMB 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 3 Peaks Building Permits and Consultants to fulfil the role of Municipal Building Surveyor and undertake legislated responsibilities on behalf of the RMB.

A total of 20 premises including numerous apartments were inspected in 2022, in line with COVID-19 guidelines at the time of the inspections. Most issues identified related to minor deficiencies in smoke and alarm system testing, smoke detector location, balustrade height requirements, bushfire compliance and current evacuation plans and fire orders.

COMPLIANCE WITH BUILDING ACT 1993

The RMB owns or controls 17 government buildings located throughout Mt Hotham Resort and in Bright. The RMB 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.

The RMB requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by the RMB 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, the RMB 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.

2022 saw no significant changes to any RMB-owned or controlled buildings. All buildings continue to comply with the *Building Act 1993*.

PROPERTY SALES

In the period 1 January to 30 September 2022, the volume of property sales remained steady with 31 property sales and one commercial sale.

Transactions in 2022 totalled \$20,703,500, compared with \$26,185,500 in 2021, however this is attributed to a nine-month reporting period. The median price for property transactions during this time was \$652,922, increasing by 59% compared with \$410,801 in 2021, shown in Table 8. This represents an average unit price of \$6760/m².

Table 6: Mt Hotham Property Sales Since 2000

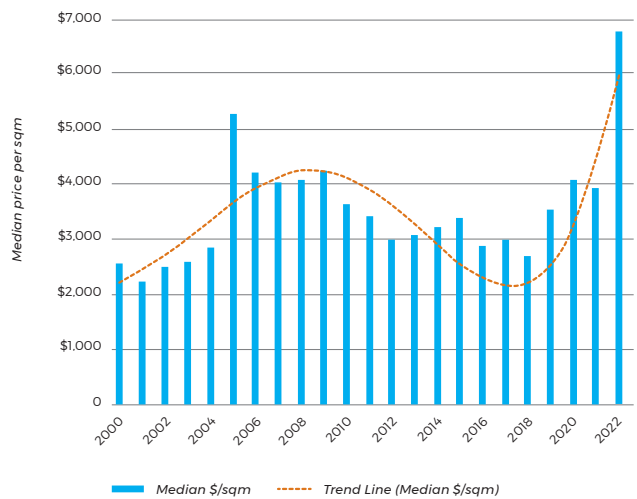
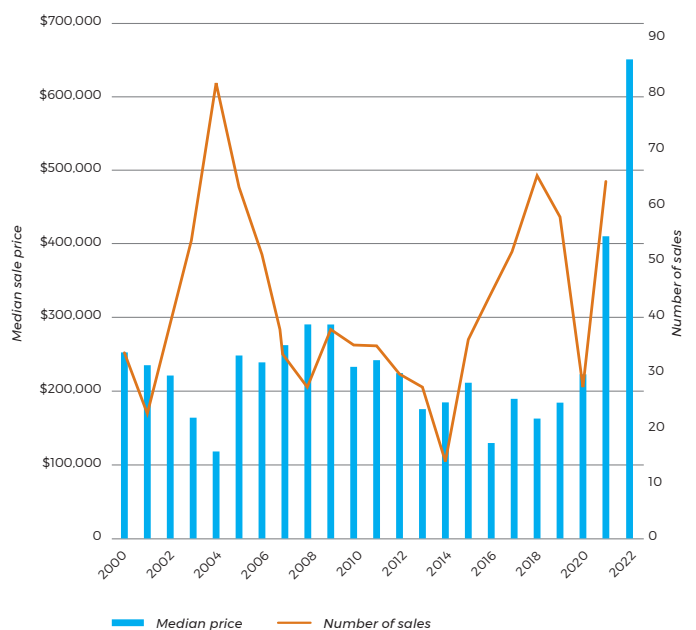


Table 7: Mt Hotham Property Sales - Median Price



ENVIRONMENTAL HEALTH SERVICES

Environmental Health encompasses the aspects of the physical, chemical and biological factors that have the potential to affect health. Indigo Shire Council has been providing Environmental Health Services to Mt Hotham for 23 years and carries out regulatory duties under the *Food Act 1984*, *Public Health and Wellbeing Act 2008*, *Public Health, Public Health and Wellbeing Regulations 2019*, *Public Health and Wellbeing (Prescribed Accommodation) Regulations 2020* and *Tobacco Act 1987*.

This service requires full compliance and a high standard of public health within the resort, with assessments and inspections of food premises, accommodation facilities, health premises, educational visits to ensure tobacco compliance and the investigation of complaints. The RMB handles the registrations and payments, and Indigo Shire conducts inspections and issues certificates.

Food Premises

During the 2022 winter season, 25 food premises were registered. All the mandatory food inspections were conducted during the 2022 winter season. There was one Class 1 premises that did not operate for 2022.

No complaints were received by Indigo Shire during the 2022 season and no food samples were taken.

Tobacco Act Compliance

Three Tobacco education visits were conducted and all premises were deemed compliant. Vaping and e-cigarette use has increased in the resort. No retailers within the resort sold these products at the time of the inspections. However, some food premises have had to ask patrons who were vaping to comply with tobacco rules at a food premises.

Prescribed Accommodation

A total of 60 accommodation facilities were registered in 2022. Out of the 60 registered premises 47 were inspected during the season, with the remaining 13 to be inspected just outside of the season closure.

General compliance throughout the prescribed accommodation was at a high level. This is a positive result given the high volume of guests during the 2022 winter season.

A number of lodges conducted renovations throughout the reporting period, which has improved the condition of various internal areas of accommodation premises. Additionally, many premises have increased their cleaning schedules to manage high volumes of guests staying at their properties.

Health Premises

One health premises (a hairdresser) is registered within the resort. This premises was not inspected as this is not a statutory requirement.

RESORT ASSET MANAGEMENT SYSTEM

Public entities subscribe to the Victorian Government's Asset Management Accountability Framework (AMAF). Following endorsement of the Asset Management Strategy in December 2020, the RMB engaged GHD Group Pty Ltd to assist in a comprehensive review of existing asset information to develop a revised Asset Register and Asset Management Plans for critical asset classes. The RMB updated its maturity assessment at the end of 2022 in accordance with the Standing Directions and the AMAF. Overall, the RMB has complied with the AMAF conditions.

ROADS AND CARPARKS

The RMB is a co-ordinating road authority under relevant legislation and maintains all the secondary roads within the Mt Hotham resort and is responsible for snow clearing and snow grooming efforts to provide public access across the village and wider resort areas. Many of the secondary roads become oversnow transport roads only during winter. The RMB maintains bus stops, day and overnight car parking areas both for snow removal and surface management as appropriate to conditions. Large early snowfalls prior to the season commencement in 2022 provided an additional challenge to resort operations staff.

In addition, the RMB collaborates with Regional Roads Victoria and its contractors to ensure the Great Alpine Road, the primary access route, is as safe and accessible to all visitors as possible.

PROJECTS

The RMB successfully delivered works to extend a multi-service trench for provision of the reticulation network for the developments at Whiskey Flat and Wire Plain. This work was delivered in collaboration with project partners AusNet Services and included installation of high voltage conduits. Substations at Wire Plain and Whiskey Flat will be constructed in 2023 to allow connection to reticulated power supply to the new developments.

Rising Main Replacement works

The potable raw water rising main is critical infrastructure as it delivers raw water from Swindlers Creek to the storage tanks on the peak of Mt Higginbotham. The original pipeline was at end of life and to ensure a sustainable water supply for the village, the replacement of the ageing infrastructure was scheduled to occur in a staged approach that was adopted by the Board in July 2019. Works have been in progress since the summer of 2019-20.

Unfortunately, high rainfall experienced during early 2022 construction period and the unique geotechnical features of the area have presented some challenges to this project, so no further works were delivered on site in 2022. The final section of works to the Lower Playground area is scheduled to recommence in 2023 subject to suitable ground conditions.

Mt Higginbotham Tanks upgrade

During 2022 the RMB secured funding of \$1.6 million to implement works to construct a new raw water storage tank to increase storage capacity for the Hotham village. Three older existing tanks will be decommissioned, demolished and a new 2.8ML concrete tank constructed in a similar footprint. The RMB has commenced detailed scoping of works.

UTILITIES

Potable Water

The RMB strives to deliver a high-quality drinking water supply and has achieved 100% compliance with the Safe Drinking Water Quality Standards again in 2022. A copy of the 2022 Drinking Water Annual Report can be found on: rmb.mthotham.com.au

During the 2022 reporting period the village consumed 57.21 megalitres of water during the winter period, as shown in Table 10. The higher visitation to the resort did not result in significant increases of potable water usage. Annual totals are skewed due to the reduced nine month reporting period; to September 30 the resort consumed 72.8ML of water.

Table 8: Potable Water Consumption

	2022	2021	2020	2019
Winter total potable water usage	57.2ML	39.8ML	17.2ML	61.5ML
Annual total potable water usage	72.8ML	65.3ML	43.9ML	91ML
Winter total potable water usage (ltr/visitor days)	122.4	183.4	NA	152.6

Waste water

The RMB operates the Mt Hotham waste water treatment plant (WWTP) and continues to work towards meeting the key objectives of improving overall operational efficiency, recycled water quality and biosolids reuse.

Increased visitation during winter 2022 saw treatment plant flows back to pre-COVID-19 levels. The heating system installed in winter 2020 along with good operational management saw the system achieve full EPA licence compliance.

During the summer works program of 2021-22, maintenance was carried out on the WWTP. The diffusers in tanks one and two will be replaced in summer 2022-23 as they are end of life.

The Class A Ultrafiltration (UF) Plant only had limited running time during the season 2022 due to pre-filter and ongoing compressor issues. These will be rectified during summer 2022-23 with new pre-filters to be installed and new parts to be fitted to the compressor. This will lead to increased Class A production in 2023.

LP Gas

The RMB facilitates the supply of LP Gas to 277 customer meters. In 2022, a bulk gas supply of 657.08 tonnes was secured for the resort. Given the reduced reporting period timeframes this is a substantial increase from the 12-month annual total of 640.52 tonnes in 2021 and reflects the impact of the increase in visitor numbers in 2022. It also incorporates several recent new customers fed by development within the village.

The RMB operates to be compliant with the *Gas Safety Act 1997*, *Gas Safety (Gas Quality) Regulations 2017* and *Gas Safety (Safety Case) Regulations 2018*. Energy Safe Victoria (ESV) is the regulatory authority that oversees the operations of all gas companies in Victoria and routinely conducts audits to ensure regulatory compliance.

During the reporting period the RMB undertook works to complete a major overhaul of the electric vaporiser and is currently planning to upgrade all the cathodic protection sites across the village in late 2022.

EMERGENCY MANAGEMENT

The *Emergency Management Act 1986* and the *Emergency Management Manual Victoria (EMMV)* requires the RMB to have a Municipal Emergency Management Planning Committee (MEMPC) and a documented Municipal Emergency Management Plan (MEMP).

Amendments to the *Emergency Management Act 2013* established a new framework for emergency management planning at state, regional and municipal levels. As part of these amendments, the Mt Hotham MEMPC was restructured and committee membership was streamlined. The MEMPC met twice during the reporting period, with a third meeting conducted in December 2022.

STATUTORY PLANNING

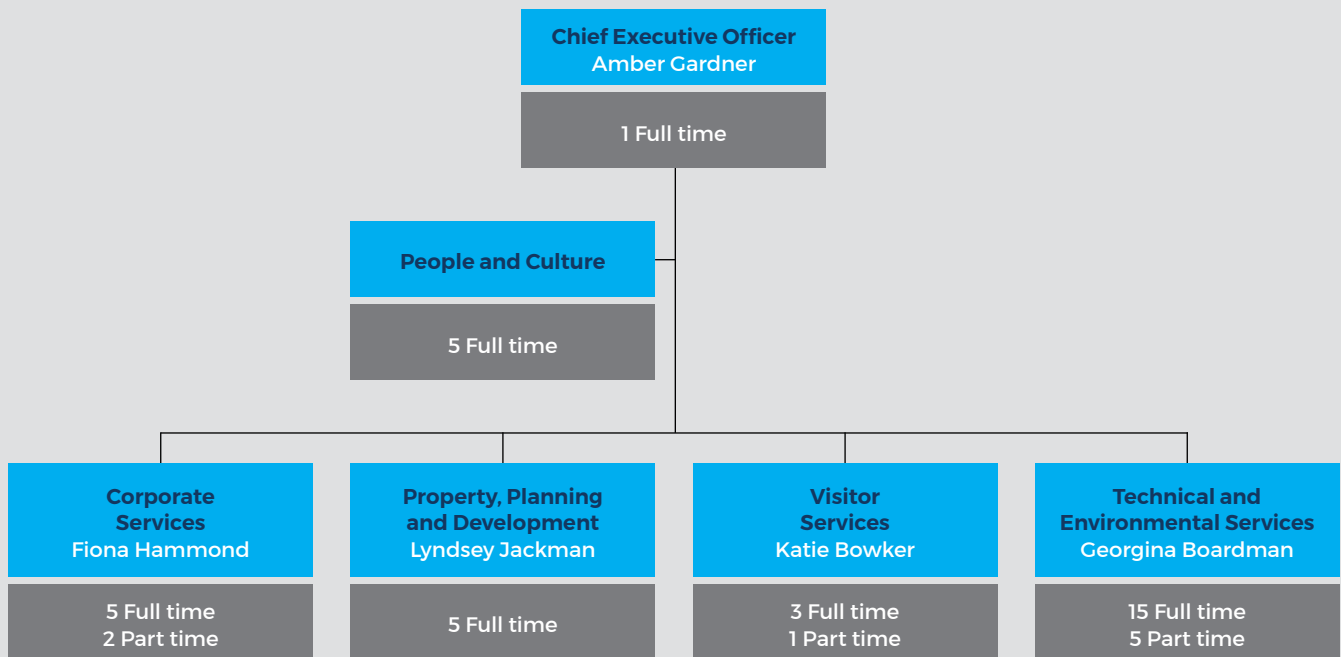
The *Alpine Resorts Planning Scheme* sets out the policies and requirements for the use, development and protection of land at Mt Hotham. The Minister for Planning is both the planning authority and responsible authority for the scheme, which was administered on his behalf during the reporting period by the Department of Environment, Land, Water and Planning (DELWP). The RMB has referral authority powers in relation to servicing and land stability and can also provide comments on planning applications more generally as the land manager.

There have been 15 amendments to the Alpine Resorts Planning Scheme since 1 January 2022.

IMPROVE ORGANISATIONAL

CAPABILITY





2022 PRESENTED A CHALLENGING YEAR FOR DEVELOPING ORGANISATIONAL CAPABILITY. ATTRACTING NEW TALENT TO THE ORGANISATION HAS BEEN DIFFICULT DUE TO LIMITED NUMBER OF APPLICANTS AND IF NEW STAFF ARE APPOINTED, A LACK OF AVAILABLE HOUSING BOTH IN RESORT AND IN THE NEARBY TOWNS. THIS IMPACTS SOURCING STAFF FOR ONGOING ROLES AS WELL AS SEASONAL, CASUAL WORK.

Organisational capability was built on organisational and cultural improvements done in 2021 and ongoing work to further develop a positive culture and embed the associated values and code of conduct. The People Matters Survey has a participation rate of 66% with good results. Despite interruptions to winter season activities in 2021, the RMB had 58% of its casual workforce return for the winter 2022.

The RMB supports flexible work arrangements, parental leave to both primary and secondary caregivers and staff returning to work from maternity leave. Four work experience students were engaged across a range of internal and external work areas including the Ski Patrol Department.

As part of the transition to ARV, there has been more collaboration across all the resorts through the formation of working groups. This has provided an opportunity for the development of virtual professional networks akin to communities.

IMPACTS OF COVID-19

COVID-19 impacts were largely seen in staff absences. On the one hand, the increased uptake of flexible hybrid arrangements working from the office and home has resulted in improved staff engagement. However, staff absences due to COVID-19 cases was just one of the challenges in an extremely busy winter season. Case numbers ramped up in the cooler months when the workforce increased with winter casual staff. Recruitment demand for winter staff was already higher than previous years with difficulties sourcing adequate numbers. This resulted in ongoing engagement of casual staff throughout the season and staff working longer hours.

INDUSTRIAL RELATIONS

The 2021 Enterprise Agreement was ratified and implemented in March 2022. This will be replaced when a new ARV Enterprise Agreement is developed.

EQUAL EMPLOYMENT OPPORTUNITY

The RMB is an equal opportunity employer, and all appointments and promotions are merit-based, established on the principles of the *Public Administration Act 2004*. The RMB has fulfilled its obligations under Section 7 of the Act regarding restriction on employees doing other work and in upholding the public-sector values and RMB values and code of conduct.

The RMB published its *Gender Equity Action Plan* in September. This plan complies with expectations of defined entities in meeting the requirements of the *Gender Equality Act 2020*. The plan will be implemented over the next four years.

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

The RMB is committed to ensuring all staff remain safe and healthy at work. In-house training was offered in contractor inductions and use of safe work method statements. COVIDSafe plans and immunisation policies were updated and implemented to reflect Health Department requirements.

Up to the end of September 2022, the OH&S Committee held three meetings with a further two scheduled for the remainder of the calendar year. During this time, the committee has:

- + reviewed policies and procedures, including management and action plans,
- + conducted workplace inspections and developed action plans to address issues identified,
- + increased the number of committee members to ensure more consistent representation, and
- + identified and recommended actions to address hazards in the workplace.

Table 9: Occupational Health & Safety Statistics

	2020	2021	2022
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	17	23	27
Number of lost time standard claims for the year per 100 full-time equivalent staff members	2	0	1
Average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)	\$73,375	No claims for the year	\$42,700

WORKFORCE DATA

The RMB is committed to merit and equity principles compatible with public sector employment principles. In the selection process applicants are assessed and evaluated fairly, equitably and without discrimination. Staff conduct principles are derived from public sector values and are incorporated into RMB policies and procedures.

Policies and procedures that were introduced or reviewed in 2022:

- + Return to Work Policy
- + Personal Protective Equipment (PPE) Policy
- + Hazardous Substance Policy
- + Anti-Discrimination & Equal Employment Opportunity Policy
- + Incident & Injury Management Procedures
- + OHS Meeting Procedures

Employees have been correctly classified in workforce data collections. Table 12 shows the headcount and full-time equivalent (FTE) of active RMB employees as at the last full pay period in June 2022 compared with the same period in June 2021.

Table 10: Headcount and Full-Time Equivalents at last full pay period in June 2022

		2021					2022				
		Total staff	Full Time	Part Time	Season/Casual	Total FTE	Total staff	Full Time	Part Time	Season/Casual	Total FTE
Demographic data	Gender										
	Male	61	22	0	39	52.7	59	18	0	41	49.81
	Female	31	11	9	11	24.71	37	11	8	18	26.02
	Age										
	15-24	10	2	0	8	9.47	11	0	0	11	7.02
	25-34	19	6	1	11	14.89	17	5	2	10	15.53
	35-44	13	10	2	2	11.94	16	8	2	6	13.99
	45-54	25	9	3	13	21.13	22	9	1	12	16.64
55-64	18	5	2	11	14.28	23	6	2	15	18.22	
65+	7	1	1	5	5.7	7	1	1	5	4.43	
Classification data	Band										
	1	0	0	0	0	0	0	0	0	0	0
	2	0	0	0	0	0	0	0	0	0	0
	3	33	3	1	29	24.78	34	0	1	33	22.88
	4	20	4	2	14	15.54	24	1	1	22	17.79
	5	16	10	1	5	15.04	15	11	2	2	14.09
	6	9	6	2	1	8.55	11	5	4	2	9.07
	7A	8	5	3	0	7.5	6	6	0	0	6
	7B	5	4	0	1	5	5	5	0	0	5
Executive	1	1	0	0	1	1	1	0	0	1	

TRAINING AND DEVELOPMENT

The RMB encourages staff to keep up-to-date with their knowledge and skills in a variety of work areas. Seasonal staff are provided with induction training as well as specific on the job training for Ski Patrol. Staff participation in training is conducted face-to-face onsite and regionally, online training and through TAFE.

STATUTORY REPORTING





BUSINESS PLAN

The *Mt Hotham Alpine Resort Management Board 2022 Business Plan* defines the operational plan of the RMB over the year. While the RMBs have traditionally developed three-year corporate plans, a one-year view was adopted due to the establishment of ARV in 2022 and the winding up of the RMBs.

The plan therefore covered the final year of operation for Mt Hotham RMB until the new entity came into effect on 1 October 2022. Furthermore, the level of disruption and uncertainty resulting from the pandemic and the subsequent challenging financial position facing the RMBs and their stakeholders has necessitated the need for a short-term strategy focused on viability and recovery, while still building foundations for 2023 and beyond.

The Business Plan was guided by the objectives of the *Alpine Resorts Strategic Plan 2020-2025*, which remains applicable until ARV comes into effect. The broader Strategic Plan is an industry-wide strategy that looks to build a long-term and sustainable resort sector, along with enabling objectives required for the RMB to operate optimally. In broad terms, this includes a focus on enabling investment, sustaining the mountain environment, improving the visitor experience, delivering efficient and effective services and enhancing organisational capability.

The *Mt Hotham Alpine Resort Management Board 2022 Business Plan* followed these key themes, noting the resort-specific initiatives required to realise the strategic objectives and move the resort forward ahead of the amalgamation.

OBLIGATION OF THE BOARD

As a Committee of Management under the *Crown Lands (Reserves) Act 1978*, the RMB has obligations to manage the land in accordance with the purpose for which the land has been reserved and may exercise the powers conferred to Committees of Management under that Act.

The Board's obligations are to discharge its functions effectively and efficiently. Under section 34(7), the Board's incumbent attributes and authorities mean it:

1. Is a body corporate with perpetual succession;
2. Has a common seal;
3. May sue and be sued in its corporate name;
4. May acquire hold and dispose of real and personal property; and
5. May do and suffer all acts and things that a body corporate may by law do or suffer. The Board carries out its functions and powers on behalf of the Crown.

FUNCTIONS OF THE RMB

- + To plan for the development, promotion, management and use, of each such alpine resort in accordance with the object of the *Alpine Resorts (Management) Act 1997*;
- + To develop and promote or facilitate the development or promotion by others of the use of each such alpine resort in accordance with the object of the Act;
- + To manage each such alpine resort in accordance with the object of the Act;
- + To contribute to the development of the Alpine Resorts Strategic Plan and other strategic planning for alpine resorts as a whole;
- + To undertake research into alpine resort issues;
- + To contribute to and support the operation of the Council;
- + To prepare and implement a Strategic Management Plan for the resort;
- + To expend or apply revenue of the Board in accordance with a direction of the Minister under section 36(1A);
- + To manage the Crown Land in Mount Hotham by acting as a Committee of Management under the *Crown Land (Reserves) Act 1978*;
- + To develop a tourism and marketing strategy and to promote the resort;
- + To provide services in the nature of garbage disposal, water supply, gas, drainage, sewerage, electricity, roads, fire protection, snowmaking and transport for the resort and to charge user-pays contributions for the provision of those services;
- + To collect fees prescribed by the regulations for the resort;
- + To attract investment for the improvement of the resort; and
- + To carry out any other function conferred on the Board by this or any other Act.

COMMONWEALTH PRIVACY ACT 1988

The RMB is committed to providing quality service. As such, its privacy policy outlines the organisation's ongoing obligations in respect of how it manages personal information and sensitive information.

The RMB has adopted the *Australian Privacy Principles* (APPs) contained in the *Commonwealth Privacy Act 1988*, and *Privacy Amendment (Enhancing Privacy Protection) Act 2012* and is subject to the *Victorian Privacy and Data Protection Act 2014*. The APPs govern the way in which it can collect, use, disclose, store, secure and dispose of personal information.

A copy of the APPs may be obtained from the website of the Office of the Australian Information Commissioner at oaic.gov.au.

COMPETITIVE NEUTRALITY POLICY

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government business may experience, simply as a result of government ownership, should be neutralised. The RMB continues to implement and apply this principle in its business undertakings.

The RMB is one of four alpine resort management Boards within Victoria. The RMB has established its own pricing regime within the ceiling prescribed by the *Alpine Resort (Management) Regulations 2020*. The Board, as the independent delegated manager of the resort's assets, purchases services and goods in line with Government Board Purchasing guidelines. RMB complies with the Government's National Competition Policy.

FAIR TRADING ACT

The Fair Trading (Recreational Services) Regulations 2004 make it possible for suppliers of recreational services to obtain consent from customers to waive their rights under the Act, including their right to take legal action against the supplier if they die or are injured while using the services.

In compliance with these regulations, the RMB has installed warning signs at both Resort Entry gates to alert visitors that they are being asked to agree to waive their rights under the *Fair Trading Act 1999*.

LOCAL JOBS FIRST ACT 2003 (FORMERLY THE VICTORIAN INDUSTRY PARTICIPATION POLICY ACT 2003)

Strengthened in August 2018, the *Local Jobs First (LJF) Act 2003* amends the former *Victorian Industry Participation Policy Act 2003*. This Act was established to actively encourage greater local industry participation in major Victorian Government procurement contracts, projects and infrastructure, investment attraction and community facilities grants. The Victorian Industry Participation Policy (VIPPP) sits within the LJF Act, and the RMB implements policies to tenders over \$1 million as required for regional Victoria.

In 2021 the RMB awarded six contracts under the Local Jobs First Policy. One contract was completed in 2022 and five are expected to be completed in 2023.

For the Alpine Gateway and the Hotham Alpine Base projects local suppliers included Dinner Plain Constructions, Mawsons, Beauparc-Alpine and MJS Omeo Earthmoving.



SOCIAL PROCUREMENT FRAMEWORK

The RMB is committed to supporting the 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 2020, the RMB developed a *Social Procurement Strategy* to enable a strategic, agency-wide approach on advancing social and sustainable outcomes through procurement in accordance with the SPF and beyond.

The RMB prioritised five SPF objectives – detailed in Table 11 below, with their associated reporting metrics. These SPF objectives were chosen based on their high degree of alignment with the RMB's strategic direction and core business functions. The RMB aims to embed social procurement practices throughout the organisation's procurement process so that the organisation's expertise, resourcing, systems, policies and processes enable the delivery of social and sustainable outcomes.

The Resort continues to provide short term employment opportunities over the winter ski season for young Australians without any formal qualifications and who are looking for work experiences that they can then use as a stepping-stone to ongoing employment. These fixed term contract positions are predominantly in guest services and give young people experience in the tourism industry.

Table 11: Social Procurement Framework

OBJECTIVE PRIORITISED	OUTCOME SOUGHT	SPF REPORTING METRIC
Opportunities for Victorian Traditional Owners	Provide employment opportunities Purchasing and co-investment opportunities	Working with the Gunaikurnai Land and Waters Aboriginal Corporation in Gippsland (GLaWAC) on co-investment opportunities and cultural tourism product development.
Opportunities for disadvantaged Victorians	Provide employment opportunities Purchasing and co-investment opportunities	21 FTE fixed term contracts during the 2022 snow season to young Australians.
Supporting safe and fair workplaces	Embed induction training. Provide employees resources to assist with a wide range of services including mental health, counselling and information. This is a combined arrangement with Mt Buller. Employment Agreement complies with industrial relations laws and promotes secure employment. Ensure contractors and suppliers have a commitment to safe and fair workplace practices.	Continued engagement of an Employee Assistance Program. Online training program covers OH&S, and safe and fair workplace policies and procedures. Attendance by external contractors at site induction sessions and provision of safe work method statement obtained. The RMB accessed Albury Rural Health services of mental health clinicians who made site visits and information sessions.
Sustainable Victorian Regions	Engage in local jobs first and local small to medium enterprises (SMEs).	The RMB supports local SMEs wherever possible. Due to the remote location of the resort, contractors and suppliers to the RMB typically provide employment to those in the local communities.
Environmentally sustainable business practices	All tender processes include requests for information regarding sustainable business practices. As per the guidelines, all tenders of \$1m have weighted assessment criteria for sustainable business practices.	Four contracts over \$1m included environmentally sustainable business practices in their submissions.

PUBLIC INTEREST DISCLOSURE ACT 2012

The *Public Interest Disclosures Act 2012 (PID Act)* enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body. The RMB is a public body for the purposes of the PID 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 do I make a public interest disclosure?

Individuals can make a public interest disclosure about the RMB or its board directors, officers or employees by contacting the Independent Broad-based Anti-corruption Commission (IBAC – details below). The RMB is not able to receive public interest disclosures. The RMB has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about the RMB, its board members, officers or employees.

The RMB's procedures are available at:
rmb.mthotham.com.au

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

DATA VIC ACCESS POLICY

In August 2012, the Victorian Government released the *DataVic Access Policy*, which enables the sharing of government data at no, or minimal, cost to users. Government data from all agencies will be progressively supplied in a machine-readable format that will minimise access costs and maximise use and reuse. The RMB updated no data sets on the DataVic website in 2022.

FREEDOM OF INFORMATION

The RMB is considered a 'Government Agency' under the terms of the *Freedom of Information Act 1982*. Accordingly, it is required to comply with the procedures that have been prescribed under which members of the public may gain access to information held by agencies.

A decision to release information is made by either the principal officer or an authorised officer. There were no FOI requests in the reporting period. The principal officer for the resort during 2022 was Colin Pollard, Corporate Services Director.

Requests under the FOI Act can be made to the principal officer. An application fee of \$31.80 applies. Access charges may also be payable if the document pool is large, and the search for material is time consuming.

Freedom of Information Officer

Colin Pollard

Alpine Resorts Victoria
19 Highett St
Mansfield Victoria 3722

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

The objective of the Asset Management Accountability Framework issued by the Victorian Government is to assist agencies managing their asset portfolios and provide better service outcomes. Mandatory requirements including developing asset management strategies, governance frameworks, performance standards and processes to regularly monitor and improve asset management outcomes.

The RMB has effective operating asset strategies, plans and performance monitoring systems in place to reduce and prevent service disruptions due to inadequate functioning of assets. To achieve full compliance and an asset management maturity level of effective, full integration of an Asset Information Management System, is currently being finalised. Work continues updating asset conditions, tailoring reporting and development of asset class plans. This is expected to be completed by 31 December 2022.

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.

MOUNT HOTHAM ALPINE RESORT MANAGEMENT BOARD FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Ali Wastie, on behalf of the Responsible Body, certify that the Mount Hotham Alpine Resort Management Board has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



ALI WASTIE

Chair
Alpine Resorts Victoria

31 August 2023

FINANCIAL

REPORT

Independent Auditor's Report

To the Board of the Mount Hotham Alpine Resort Management Board

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

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 the authority'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 the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- 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
27 September 2023


Paul Martin
as delegate for the Auditor-General of Victoria


Chairperson's, Accountable Officer's and CFO declaration.

The attached financial statements for the Mount Hotham Alpine Resort Management Board 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, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 September 2022 and financial position of the Mount Hotham Alpine Resort Management Board at 30 September 2022.

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

We authorise the attached financial statements for issue on 31 August 2023.



ALI WASTIE
Chairperson



AMBER GARDNER
Chief Executive Officer



COLIN POLLARD
Chief Financial Officer

Comprehensive Operating Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 \$	2021 \$
CONTINUING OPERATIONS			
Revenue and Income from transactions			
Site rent	2.2.1	805,678	819,753
Sale of goods and services	2.2.2	11,863,170	8,859,063
Other revenue and income	2.2.3	944,669	731,944
Grant revenue and income	2.2.4	3,864,361	7,466,031
Interest income	2.2.5	60,373	4,507
Total Revenue and Income from transactions	2.1	17,538,252	17,881,297
Expenses from transactions			
Employee Benefits	3.1.1	4,172,563	4,563,916
Contracts, Materials & Services	3.2	4,294,477	3,632,108
Utilities & Telecommunications	3.2	668,436	621,794
Administration & Compliance	3.2	1,653,525	1,503,475
Marketing & Communications	3.2	645,904	463,258
Depreciation on property, plant & equipment	4.1.1	1,493,847	1,729,203
Depreciation on right of use assets	5.4	1,019	8,161
Interest expense	6.1.1	42,436	64,628
Total expenses from transactions		12,972,209	12,586,542
Net result from transactions		4,566,044	5,294,755
Other economic flows included in net result			
Net gain / (loss) arising from revaluation of long service liability	8.1	(55,495)	(52,964)
Total other economic flows included in net result		(55,495)	(52,964)
Net result from continuing operations		4,510,549	5,241,791
Other comprehensive income		-	-
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.2	4,614,915	17,878,238
Total other economic flows – other comprehensive income		4,614,915	17,878,238
Comprehensive result		9,125,463	23,120,029

The accompanying notes form part of these financial statements.

Balance Sheet

AS AT 30 SEPTEMBER 2022

	Notes	2022 \$	2021 \$
ASSETS			
Financial assets			
Cash and cash equivalents	6.3	11,676,374	3,921,509
Receivables	5.1	1,587,785	2,679,409
Total financial assets		13,264,159	6,600,918
Non-financial assets			
Inventories	5.3	206,571	179,958
Right-of-use assets	5.4	46,575	47,594
Investment property	4.2	50,000	70,000
Prepayments		316,825	229,190
Property, plant & equipment	4.1	109,133,616	102,270,527
Total non-financial assets		109,753,588	102,797,269
TOTAL ASSETS		123,017,747	109,398,186
LIABILITIES			
Payables	5.2	1,768,540	1,285,739
Contract Liabilities	5.2.1	8,093,009	4,083,857
Borrowings and lease liabilities	6.1	820,726	923,115
Employee Benefit provisions	3.1.2	1,109,614	1,005,079
TOTAL LIABILITIES		11,791,888	7,297,790
NET ASSETS		111,225,859	102,100,396
EQUITY			
Accumulated surplus		18,024,962	13,514,413
Physical asset revaluation surplus	8.2	53,173,169	48,558,255
Contributed capital		40,027,728	40,027,728
NET WORTH		111,225,859	102,100,396

The accompanying notes form part of these financial statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Government		8,496,459	8,987,518
Receipts from customers and other entities		15,686,607	9,947,495
Interest received		60,373	4,507
Total receipts		24,243,440	18,939,520
Payments			
Payments to suppliers and employees		(11,649,490)	(10,182,712)
Net GST paid		(972,237)	(584,268)
Interest paid on government loans	6.1.1	(40,860)	(62,405)
Interest portion of repayments of lease liabilities	6.1.1	(1,577)	(2,223)
Total payments		(12,664,163)	(10,831,609)
Net cash (used in) / provided by operating activities	6.3.1	11,579,277	8,107,912
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for non-financial assets		(3,722,023)	(7,830,051)
Net cash (used in) / provided by investing activities		(3,722,023)	(7,830,051)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principle portion of lease liabilities		(1,318)	(7,657)
Repayment of borrowings from Treasury Corporation Victoria		(101,072)	(127,295)
Net cash (used in) / provided by financing activities		(102,389)	(134,952)
Net Increase / (Decrease) in cash held		7,754,865	142,909
Cash at the beginning of the financial year		3,921,509	3,778,600
Cash and cash equivalents at end of financial year	6.3	11,676,374	3,921,509

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Physical Asset Revaluation Surplus \$	Accumulated Surplus \$	Contributions by Owner \$	Total \$
Balance at 1 January 2021		30,680,016	8,272,622	40,027,728	78,980,366
Net result for the year		-	5,241,791	-	5,241,791
Other comprehensive income for the year	8.2	17,878,238	-	-	17,878,238
Balance at 31 December 2021		48,558,255	13,514,412	40,027,728	102,100,395
Net result for year		-	4,510,549	-	4,510,549
Other comprehensive income for the year	8.2	4,614,915	-	-	4,614,915
Balance at 30 September 2022		53,173,169	18,024,962	40,027,728	111,225,860

The accompanying notes form part of these financial statements.

Notes to and forming part of the Financial Statements for the year ended 30 September 2022

SECTION 1: ABOUT THIS REPORT

The Mount Hotham Alpine Resort Management Board (the Board) is constituted under the *Alpine Resorts (Management) Act 1997*.

The Board is deemed to be a Committee of Management under the *Crown Land (Reserves) Act 1978* acting on behalf of the Crown, and is subject to Ministerial directions and guidelines.

The Board's principal address is:

Mount Hotham Alpine Resort Management Board
28 Great Alpine Road
Hotham Heights VIC 3741

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

NOTE 1.1 BASIS OF PREPARATION

These financial statements cover the Board as an individual reporting entity. These financial statements have been prepared on a going concern basis. During the 2021 Financial Year the number of Board members reduced to five (5), this continued through the 2022 Financial Year until 30 September 2022 when the entity transitioned to Alpine Resorts Victoria. This change in the Alpine Resort Management Board structure into Alpine Resorts Victoria has not impacted the going concern of the organisation. Due to the transition to Alpine Resorts Victoria, the 2022 financials have been prepared over a nine month period and this is compared to a 12 month period in 2021.

These financial statements are presented in Australian Dollars, the functional and presentation currency of the Board, and the historical cost convention has been used unless a different measurement basis is specifically disclosed in the note associated with any item measured on a different basis.

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also 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.

The financial statements cover the Board as an individual reporting entity and include all the controlled activities of the Board.

Amounts in the financial statements (including the notes) have been rounded to the nearest dollar, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

NOTE 1.2 COMPLIANCE INFORMATION

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) 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 are selected and applied in a manner which ensures 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.

NOTE 1.3 COVID-19 IMPACT

On 16 March 2020 the State Government declared a State of Emergency as a result of COVID-19 global health pandemic. While 2021 continued to be significantly impacted by this event through restrictions which limited the ability of the Board to trade, the 2022 snow season was able to return to normal levels of operations. Mt Hotham Resort was able to open the resort a week earlier than the usual Queen's Birthday long weekend due to early snow fall and have a successful 2022 snow season.

The State Government continued to provide assistance during the beginning of 2022. The rent relief program covered the period 28 July 2021 to 15 March 2022 with stakeholders applying for this relief directly to the Board, reducing the revenue received by the Board for site rent for 2021 and the beginning of 2022. No programs were available for a reduction or relief in Service Charges, noting this revenue line was not impacted by COVID-19.

The Board has worked closely with the State Government through the responsible Minister and the Department of Environment, Land, Water and Planning (DELWP) to maintain adequate financial support, including the provision of regular and detailed cash flow forecasts. As a result, DELWP provided an advance of \$1,656,037 funding throughout 2022 for COVID-19 funding support (see note 2.2.4). The responsible minister through DELWP has further committed to provide ongoing financial support for the resort to meet its financial responsibilities, including the provision of a letter of financial support for the period until 30 April 2024.

Due to the continuing nature of COVID-19 and the material uncertainty that exists it is not possible to quantify the full economic impact of COVID-19 on the operations of the Board. The Board has assessed its financial position in accordance with the impact of COVID-19 ongoing concern and related assessments as jointly published by the Australian Accounting Standards Board and the Auditing and Assurance Standards Board, and DELWP have committed to providing ongoing cash flow support to meet the Board's current and future obligations as and when they fall due for a period up to 30 April 2023. On that basis it has been determined that the going concern assumption remains to be the appropriate basis for the preparation of the 2022 annual financial report.

**NOTE 1.4
ESTABLISHMENT OF ALPINE RESORTS
VICTORIA (ARV) AND ABOLISHMENT OF MT
HOTHAM ALPINE RESORT MANAGEMENT BOARD**

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

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

The Act transferred all 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.

In accordance with *FRD119 Transfers Through Contributed Capital*, the transfer of all assets and liabilities by the ARMB's to the ARV is recognised as a direct adjustment to equity and designated as Distributions to Owners. ARV will account for the transfer in its financial report as a Contribution by Owners.

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

- + There was no change in the carrying amounts, which are reported at fair value, of assets or liabilities between 30 September 2022 financial reporting date, and 1 October 2022 date of abolishment of the ARMB's; and
- + The carrying amounts of assets and liabilities transferred are disclosed in the Board's Balance Sheet for the year ended 30 September 2022 included in this financial report.

The 'going concern' basis was used to prepare the financial statements as the intent of the legislation is that the substantive functions, rights and obligations of ARMB's will continue under ARV. The annual financial statements were authorised for issue by ARV - the successor in law to the ARMB's on 1 October 2022.

Future revenue generated by the resorts is contingent on the snowfall for the year and may be impacted by other factors outside the control of management such as COVID-19 and subsequent COVIDSafe settings.

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

Letters of support were previously in place for the Alpine Boards preceding their incorporation into Alpine Resorts Victoria (ARV).

A new letter of support is in place for ARV (the new entity) covering the period up to 30 April 2024. DEECA have confirmed with ARV management that a new letter will be issued upon the expiry of the one currently in force.

It has been determined that the going concern assumption remains to be the appropriate basis for the preparation of the 2022 annual financial report.

**NOTE 1.5
SUBSEQUENT EVENTS**

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), including Mount Hotham Alpine Resort Management Board, on 1 October 2022.

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

Please refer to Note 1.1 Basis for preparation for detailed information.

SECTION 2: FUNDING DELIVERY OF OUR SERVICES

INTRODUCTION

The Board's overall objective is to provide a premier Alpine Resort visitor experience while also conserving and enhancing the Resort's environment through the optimal management of the Crown Asset.

To enable the Board to fulfil its objective and provide the necessary infrastructure and services, it receives revenue from levies of site rent and service charges, gate entry and gas usage. Due to the impact of COVID (Note 1.3), COVID-19 Financial Support was provided by Department of Environment, Land, Water and Planning (DELWP) to support the Resort's operations.

STRUCTURE

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Revenue and Income from transactions
- 2.3 Future site rent lease revenue

NOTE 2.1

SUMMARY OF REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	Notes	2022 \$	2021 \$
Site rent	2.2.1	805,678	819,753
Sale of goods and services	2.2.2	11,863,170	8,859,063
Other revenue and income	2.2.3	944,669	731,944
Grant revenue and income	2.2.4	3,864,361	7,466,031
Interest	2.2.5	60,373	4,507
Total revenue and income from transactions		17,538,252	17,881,297

NOTE 2.2

REVENUE AND INCOME FROM TRANSACTIONS

Note 2.2.1 Site rental

	2022 \$	2021 \$
Site rental	805,678	819,753

Site rental is recognised under the terms and conditions of each lease and in accordance with the Board's role as a Committee of Management of any Crown Land deemed to be permanently reserved under the *Crown Lands Reserve Act 1978*. Rental revenue from Crown leases is recognised on a straight line basis over the term of the relevant lease. Revenue is recognised per AASB 15: *Revenue from contracts with customers*.

In accordance with the *COVID-19 Omnibus (Emergency Measures) (Commercial Leases and Licences) Regulations 2020*, Site rent relief was applied to qualifying Tenants and Sub-tenants for the period of 1 January 2022 to 15 March 2022 (prior year 26 July 2021 to 31 December 2021), in accordance with the terms and conditions provided by the Board.

Note 2.2.2 Sale of goods and services	2022	2021
	\$	\$
Service charges	3,912,600	4,996,897
Transport contribution	113,967	77,594
Gas trading operations	1,583,210	1,171,144
Resort entry	6,072,686	2,414,734
Horticultural supplies	180,708	198,694
Total sale of goods and services	11,863,170	8,859,063

All of the above revenue is accounted for under AASB 15 *Revenue from contracts with customers*.

Service Charge revenue is brought to account when a rate/tariff is levied or determined for service charges leviable under Section 13 of the *Alpine Resorts (Management) Act 1997*. The performance obligation is the provision of services over the billing period. Service charges are levied on a quarterly basis but the revenue is recognised on a monthly basis as the services have been provided.

Transport contribution is recognised as related performance obligations are met during the snow season.

Resort entry revenue (including from the sale of season permits) is recognised when received and when the entitlement is in the current financial year. Season permit receipts received for an entitlement to resort entry are recognised as revenue at the beginning of the snow season in the year that the permit relates to the Board's performance obligations in relation to resort entry and season permits incorporates: 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. These performance obligations are treated as satisfied at the beginning of the snow season upon opening day. Any refunds were allocated proportionately during the year.

Gas revenue is recognised as related performance obligations are met. Performance obligations are met as gas is provided to the end user.

Horticultural supply revenue is recognised as related performance obligations are met. Performance obligations are met when plants have been purchased at the Ovens based nursery.

The sale of goods and services in 2022 was higher than the prior year as the 2021 snow season days of operations were reduced due to impacts of COVID-19.

Note 2.2.3 Other Revenue and Income	2022	2021
	\$	\$
Fines and Regulatory Fees ^(a)	452,903	165,799
Rental Income – Investment properties ^(b)	66,580	67,285
Service Charges – Infrastructure fee ^(c)	18,777	57,445
Marketing Revenue ^(d)	1,000	36,126
Property related Fees and charges ^(e)	71,303	54,411
Fee for service revenue ^(f)	108,273	198,395
Volunteer services income ^(g)	102,922	82,319
Other miscellaneous revenue	122,911	70,164
Total Other Revenue and Income	944,669	731,944

- (a) Infringement notices are recognised as revenue when the penalty has been imposed. Infringements are issued to visitors who enter and stay in the resort during the declared snow season without paying an entry fee.
- (b) Rental Revenue from leasing of investment properties is recognised on a straight line basis over the lease term.
- (c) Service Charges – Infrastructure fee relates to capital ingoings which are costs recovered from new developments that require new connections of services. Obligations are met and revenue recognised once the services have been connected and paid for by the Board.
- (d) Marketing revenue relates to revenue received from sponsorships. Performance obligations are met and revenue recognised once the season has ended and associated advertising has concluded.
- (e) Property related fees and charges – this revenue relates to consent fees, building act fees and business permit fees which are levied to resort building owners and businesses. Performance obligations are met and revenue recognised once the various permits and consents have been obtained.
- (f) Fee for service revenue relates to the sundry services provided by the Board (Snow clearing, brush cutting, etc). Performance obligations are met and revenue recognised once the works have been undertaken.

Revenue from a, b, c, d, e, and f falls under AASB 15 *Revenue from contracts with customers*.

- (g) Volunteer services income is recognised for Volunteer Ski Patrol hours supplied during the snow season per AASB 1058 *Income of Not-for-Profit Entities*. Ski Patrolling is a service provided as a compulsory requirement of operating the Alpine Resort during winter and the fair value of the services can be reliably determined. The Board recognises the dependence on these volunteer services and has disclosed the value of these services in the financial statements as income and expenditure.

Note 2.2.4 Grant revenue and income	2022	2021
<i>Income recognised as income of not-for-profit entities (AASB 1058)</i>	\$	\$
Government tax rebates	14,755	64,947
DELWP	-	36,452
Wage Subsidy - Traineeships	4,000	28,000
Sustainability Victoria	-	11,565
Parks Victoria	8,435	8,000
<i>Capital Funding Grants recognised as income of non-for-profit entities (AASB 1058)</i>		
DJPR - Alpine Gateway Project	238,058	3,150,000
DJPR - Whiskey Flat Project	508,168	211,832
DJPR - Wire Plain Project	175,638	171,517
DJPR - Bushfire Recovery Regional Economic Stimulus - Shared Trail Network - Dargo Lookout and Possum Flat Trail upgrade	18,729	2,400
DJPR - Resilience Project	256,048	683
DJPR - Investment Fast-Track Fund Mt Hotham Business, Visitor and Community Centre Design	14,504	-
Federal Government - Mt Higgi Water Tank Bushfire Recovery Fund - Federal Black Summer Bushfire Recovery program	24,089	-
North East Catchment Management Authority (NECMA)	178,000	-
<i>Income recognised as revenue from contract with customers (AASB 15)</i>		
DELWP - COVID 19 Financial Support	1,656,037	3,528,140
DELWP - Youth Employment Grant	5,188	188,406
Murray PHN after hours funding	60,000	60,000
The Alpine Garden Society Victorian Group Grant - Mount Hotham Flora Field Guide	-	4,091
Shared Services Trench - Ausnet Services	702,714	-
Total grant revenue and income	3,864,361	7,466,031

Grants recognised under AASB 1058

Grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Board has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Board 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 the Board's Capital Works Projects are recognised progressively as the asset is constructed in accordance with AASB 1058. This aligns with the Board's obligation to construct the asset. The progressive percentage costs incurred is used to recognise income because this most closely reflects the construction progress as costs are incurred as the works are done.

Where grant revenue arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when each performance obligation is satisfied per AASB 15. The performance obligations are varied based on the agreements. Each performance obligation is considered to ensure that the revenue recognition reflects the completion of performance obligations. Within grant agreements, there may be some performance obligations where performance obligations are met at a point in time and others where performance obligations are met over a period of time. Where performance obligations are met 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.

Grants recognised under AASB 15

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

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

Note 2.2.5 Interest income	2022	2021
<i>Interest from financial assets not at fair value through profit and loss</i>	\$	\$
Interest on bank deposits	60,373	4,485
Penalty interest	-	22
Total interest income	60,373	4,507

Interest income includes interest received on bank and term deposits and penalty interest on overdue debtors. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period. Interest income in 2022 is higher than in the prior year due to the receipt of grant funding being held in a interest bearing account.

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. At 30 September 2022 the Penalty Interest Rate was 10% (2021: 10%).

In accordance with the *COVID-19 Omnibus (Emergency Measures) (Commercial Leases and Licences) Regulations 2020*, interest has not been applied on outstanding tenants debts from 27 April 2020 and is assessed based on hardship claims.

NOTE 2.3 FUTURE SITE RENT LEASE REVENUE

Crown Land is recorded in the accounts of the Board at the Valuer-General's valuation. Commitments for future rental revenue in relation to the leased sites under Section 38 of the *Alpine Resorts (Management) Act 1997* are disclosed at their nominal value and exclusive of GST receivable. The leases cover periods up to 75 years and represent 87 managed Crown leases with site holders.

Non-cancellable operating lease receivables	2022	2021
	\$	\$
Less than 1 years	1,100,824	1,121,925
Not longer than 5 years	4,742,493	4,489,122
Longer than 5 years	50,018,480	29,922,838
Total non-cancellable operating lease receivables	55,861,797	35,533,886

SECTION 3: THE COST OF DELIVERING SERVICES

INTRODUCTION

This section provides an account of the expenses incurred by the Board in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded. There has been an increase in resort operations from the prior year due to the increase in visitation during 2022 snow season (see Note 1.3). Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

STRUCTURE

- 3.1 Expenses incurred in delivery of services
- 3.2 Other operating expenses

NOTE 3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

	Notes	2022 \$	2021 \$
Employee benefit	3.1.1	4,172,563	4,563,916
Other operating expenses	3.2	7,262,343	6,220,634
Total expenses incurred in delivery of services		11,434,906	10,784,550

Note 3.1.1 Employee benefits in the comprehensive operating statement	2022 \$	2021 \$
Salaries and wages, annual leave and long service leave	3,821,616	4,177,569
Defined contribution superannuation expense	340,410	372,419
Defined benefit superannuation expense	10,537	13,928
Total Employee benefits	4,172,563	4,563,916

Employee benefits include all forms of consideration related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover 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. The Department 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.

Note 3.1.2 Employee benefits in the Balance Sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2022	2021
	\$	\$
CURRENT PROVISIONS:		
Annual leave		
Unconditional and expected to be settled within 12 months	221,956	210,882
Unconditional and expected to be settled after 12 months	31,006	10,090
Long service leave		
Unconditional and expected to be settled within 12 months	67,197	66,027
Unconditional and expected to be settled after 12 months	567,644	517,829
Provisions related to employee benefits on-costs		
Unconditional and expected to be settled within 12 months	79,751	84,708
Unconditional and expected to be settled after 12 months	76,977	75,567
Total current provisions for employee benefits	1,044,531	965,103
NON-CURRENT PROVISIONS:		
Employee Benefits	57,589	35,085
On-costs	7,493	4,891
Total non-current provisions for employee benefits	65,082	39,976
Total Provisions for employee benefits	1,109,613	1,005,079
RECONCILIATION OF MOVEMENT IN ON-COSTS PROVISIONS:		
Opening balance	165,166	163,972
Additional provisions recognised / (reduced)	136,256	62,867
Reduction due to transfers out	(25,508)	(56,216)
Effect of change in discount rate	(111,693)	(5,456)
Closing balance	164,221	165,166
Current	156,728	160,275
Non-current	7,493	4,891

Wages and salaries, annual leave and personal leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs), are all recognised in the provision for employee benefits as 'current liabilities', because the Board 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 the Board expects the liabilities to be wholly settled within 12 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 the Board does not have an unconditional right to defer settlement of the liability for at least 12 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 Statement of Comprehensive Income as it is taken.

Long Service Leave

Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Board does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- + Undiscounted value if the board expects to wholly settle within 12 months; and
- + Present value if the board does not expect to wholly settle within 12 months.

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

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

Employee on-costs: Employee on-costs (payroll 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.

Note 3.1.3 Superannuation contributions

Employees of the Board are entitled to receive superannuation benefits and the Board contributes to both defined benefit and defined contribution plans.

The defined benefit plan(s) provides benefits based on years of service and final average salary.

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Board.

There were no unfunded liabilities in regard to the Board's membership of defined benefit superannuation schemes. The Board has no responsibility for an unfunded superannuation liability in respect to the defined benefit plans listed below. The Board does not recognise a defined benefit liability in respect to any of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefit liabilities in its disclosure for administered items.

	<i>Paid contribution for the year</i>		<i>Contribution outstanding at year end</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Defined benefit plan ^(a)				
GSO	10,537	13,928	527	979
Defined contribution plans				
Aust Super	36,364	53,536	2,942	5,881
Vic Super	147,348	163,131	9,779	13,988
Other	181,677	203,681	11,357	15,209
Total	375,927	434,276	24,605	36,057

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

**NOTE 3.2
OTHER OPERATING EXPENSES**

	2022	2021
	\$	\$
Contract payments, materials and services		
Contractors	1,692,899	1,263,288
Consultants	(39,692)	228,751
Consumables (Cost of goods sold and general)	971,523	769,721
Maintenance & Materials	487,528	596,148
Volunteer Services Cost	102,922	82,319
Other contract payments, materials and services	1,079,297	691,880
Total contract payments, materials and services	4,294,477	3,632,108
Administration and compliance		
Insurance	241,892	317,066
ARCC contributions	144,878	65,870
Legal	83,491	195,130
Other administration and compliance costs	1,183,265	925,409
Total administration and compliance	1,653,525	1,503,475
Total utilities and telecommunications	668,436	621,794
Total marketing and communications	645,904	463,258

Contract payments, materials and services relate to the costs incurred with delivering services and maintaining the infrastructure of the resort, including intra-village bus service, cleaning, hard & recyclable waste. The costs are recognised either when the goods or service have been received, or in the terms agreed to in the contracts.

Volunteer service costs (ski patrol) are costs associated to contributions in the form of services and are recognised when a fair value can be reliably determined and the services would have been purchased if not donated. The Board recognises the dependence on these volunteer services and has disclosed the value of these services in the financial statements as income and expenditure.

Administration and Compliance are the costs associated with compliance to the Ministerial Directions, for example ARCC contributions, insurance, and other expenses related to compliance. These costs are recognised when the goods or service are received, or in the terms stated in the agreements.

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

Marketing and communications costs relate to the promotion associated with growing and supporting visitation, including the snow and green season. These expense items are recognised when the goods and services are received, or in the terms stated in the agreements.

SECTION 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

INTRODUCTION

The Board controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities.

STRUCTURE

- 4.1 Total property, plant and equipment
- 4.2 Investment properties

NOTE 4.1

TOTAL PROPERTY, PLANT AND EQUIPMENT

	<i>Gross carrying amount</i>		<i>Accumulated depreciation</i>		<i>Total</i>	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Land – leased	30,693,500	26,690,000	-	-	30,693,500	26,690,000
Land – non-leased	12,257,415	11,646,000	-	-	12,257,415	11,646,000
Buildings at fair value	10,285,681	8,139,882	(245,484)	-	10,040,197	8,139,882
Village and Community Infrastructure at fair value	6,930,722	6,907,052	(224,295)	(38,475)	6,706,427	6,868,577
Roads and car parks at fair value	18,021,869	11,080,087	(238,495)	-	17,783,374	11,080,087
Water at fair value	17,371,513	17,096,514	(299,511)	(3,002)	17,072,002	17,093,512
Sewerage at fair value	10,173,330	10,035,661	(270,888)	(1,346)	9,902,443	10,034,315
Gas at fair value	2,707,879	2,556,300	(68,902)	-	2,638,977	2,556,300
Plant, Equipment & Motor Vehicles at fair value	4,970,872	4,928,086	(4,139,470)	(3,950,374)	831,402	977,712
Capital Works in Progress at cost	1,207,880	7,184,142	-	-	1,207,880	7,184,142
Total	114,620,660	106,263,723	(5,487,044)	(3,993,196)	109,133,616	102,270,527

Initial recognition

Items with a cost or value in excess of \$2,000 and a useful life to the board of more than one year are capitalised. All other assets acquired are expensed.

All non financial physical assets 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.

Subsequent measurement

Property, plant and equipment is 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).

Valuation of Property, Plant and Equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the FRDs issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRDs.

Land was revalued during 2022 inline with the increased indicies set by the Valuer-General Victoria. Buildings and infrastructure assets have undergone a full revaluation as at 31 December 2021 by the Valuer-General Victoria, as per the five year cycle. The market is being impacted by the uncertainty cause by the COVID-19 pandemic. As at the date of the valuation, the valuer considers that there is market uncertainty resulting in significant valuation uncertainty. The valuation has therefore been reported on the basis of 'significant valuation uncertainty'.

Where an independent valuation has not been undertaken at balance date, the board performed a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

The Board have assessed all other assets, given their nature and the purposes for which they are used, the Board does not consider there is any impairment to the carrying value of these assets as a result of COVID-19.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased, as a result of a revaluation) are recognised in 'other economic flows – other comprehensive income' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decrease is recognised in 'other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease, recognised in 'other economic flows – other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment, are offset against one another in that class but are not offset in respect of assets in different classes. The asset revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

Sale of Property, Plant and Equipment

Any gain or loss on the 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.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 7.3.1 *Fair Value Determination*.

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.

Note 4.1.1 Depreciation and impairment charge on Property, Plant, Infrastructure and Equipment for the year	2022	2021
	\$	\$
Buildings	245,484	238,471
Infrastructure	1,059,267	1,205,195
Plant, equipment and motor vehicles	189,096	285,537
Total Depreciation on Property, Plant, Infrastructure and Equipment	1,493,847	1,729,203

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding assets held for sale and land) that have finite useful lives are depreciated.

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

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. Depreciation rates currently applied to each class of asset are as follows:

Buildings	1.67% - 20%	Sewerage	1.25% - 5%
Community and Village Infrastructure	1.25% - 50%	Gas	2% - 6.67%
Roads and Car Parks	1.25% - 10%	Plant, Equipment and Motor Vehicles	5% - 50%
Water	1% - 30%		

The above rates have remained unchanged from the previous year, except where detailed above. Land assets, which are considered to have an indefinite life, are not depreciated.

Note 4.1.2 Reconciliations of the carrying amounts of each class of asset at the beginning and end of the current financial year are set out below.

	Opening Balance at start of year \$	Transfers \$	Asset revaluation \$	Additions \$	Depreciation expense \$	Closing Balance at end of year \$
2022						
Land - leased	26,690,000	-	4,003,500	-	-	30,693,500
Land - non-leased	11,646,000	-	611,415	-	-	12,257,415
Buildings	8,139,882	2,125,799	-	20,000	(245,484)	10,040,197
Village and Community Infrastructure	6,868,577	23,670	-	-	(185,820)	6,706,427
Roads and Car Parks	11,080,087	6,941,782	-	-	(238,495)	17,783,374
Water	17,093,512	275,000	-	-	(296,509)	17,072,002
Sewerage	10,034,315	76,483	-	61,186	(269,542)	9,902,443
Gas	2,556,300	151,579	-	-	(68,902)	2,638,977
Plant, Equipment and Motor Vehicles	977,712	37,998	-	4,788	(189,096)	831,402
Capital Works in Progress	7,184,142	(9,632,310)	-	3,656,048	-	1,207,880
Total	102,270,527	-	4,614,915	3,742,022	(1,493,847)	109,133,616

	Opening Balance at start of year \$	Transfers \$	Asset revaluation \$	Additions \$	Depreciation expense \$	Closing Balance at end of year \$
2021						
Land - leased	28,111,208	(6,542,000)	5,120,792	-	-	26,690,000
Land - non-leased	2,752,000	6,542,000	2,352,000	-	-	11,646,000
Buildings	6,589,159	-	1,789,193	-	(238,471)	8,139,882
Village and Community Infrastructure	4,842,491	562,188	1,656,612	22,868	(215,582)	6,868,577
Roads and Car Parks	7,982,871	27,987	3,171,938	-	(102,709)	11,080,087
Water	14,066,823	2,576,130	954,356	-	(503,797)	17,093,512
Sewerage	8,160,004	115,712	2,061,949	5,449	(308,799)	10,034,315
Gas	1,859,210	-	771,397	-	(74,307)	2,556,300
Plant, Equipment and Motor Vehicles	1,170,301	69,773	-	23,176	(285,537)	977,712
Capital Works in Progress	2,757,373	(3,351,789)	-	7,778,559	-	7,184,142
Total	78,291,440	-	17,878,238	7,830,051	(1,729,203)	102,270,527

**NOTE 4.2
INVESTMENT PROPERTIES**

	2022 \$	2021 \$
Balance at beginning of financial year	50,000	70,000
Balance at end of financial year	50,000	70,000

Investment Property

Investment properties represent the Board's interest in properties held to earn rentals and recorded as buildings in the asset register. Investment properties exclude properties held to meet service delivery objectives of the Board. Rental income from the leasing of investment properties is recognised in the Comprehensive Operating Statement on a straight-line basis over the lease term.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Board.

Subsequent to initial recognition at cost, investment properties are revalued at fair value with changes in the fair value recognised as other economic flows in the comprehensive operating statement in the period they arise. Fair values are determined based on a market based direct comparison method whereby the property is compared to recent comparable improved sales making adjustment for points of difference.

The investment property held by Board has been revalued as at 31 December 2021 by the Valuer General Victoria (VGV).

SECTION 5: OTHER ASSETS AND LIABILITIES

INTRODUCTION

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

STRUCTURE

- 5.1 Receivables
- 5.2 Payables
- 5.3 Inventories
- 5.4 Right-of-use assets

NOTE 5.1 RECEIVABLES

	2022	2021
	\$	\$
CURRENT RECEIVABLES		
Contractual		
Trade debtors	1,422,506	2,402,105
Statutory		
GST receivable (net)	-	239,635
Infringement debtors	446,518	272,486
Less Allowance for expected credit losses (infringement debtors)	(281,239)	(234,817)
Total receivables	1,587,785	2,679,409

Receivables consist of:

- + Contractual receivables, are classified as financial instruments and are categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Board 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.
- + 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. The Board applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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. At 30 September 2022 the Penalty Interest Rate was 10% (2021: 10%). The carrying value of debtors approximates fair value.

Debtors experiencing financial hardship due to Covid-19 can make an application to the Board and it is expected balances will be recovered via the implementation of repayment plans for terms up to 24 months. In the case of default, the debt will be recoverable under re-sale provisions contained within the head-lease.

The Board's stated terms in respect of amounts receivable are payment in full within 30 days.

Allowance for expected credit losses and bad debts

The Board has applied the simplified approach to measuring expected credit losses under AASB 9, which uses a lifetime expected loss allowance. The allowance for expected credit losses assessment made for infringement debtors requires a degree of estimation and judgement. Infringement debtors are based on the lifetime expected credit loss, grouped based on percentage of infringements expected to be withdrawn, percentage of infringements expected to be paid and the collectability of the infringements expected to be paid.

At the end of each reporting period, the Board assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Credit loss allowance movements are classified as other economic flows in the net result. However, when it becomes mutually agreed between debtor and creditor that the receivable has become uncollectible, the carrying amount of the receivable is reduced, and a bad debt expense for the write-off is recognised in the net result as a transaction.

The Board has reviewed the carrying value of property receivables and has determined that there are no receivable impairments to bring to account. This has been determined on the basis that the terms and conditions of the Board's financial hardship policy allow for repayment terms of up to 24 months are available to head leases as a result of COVID-19. Further default can be recoverable under re-sale provisions within the head-lease.

	Current \$	1-2 months \$	> 3 months \$	Total \$
AGING ANALYSIS OF TRADE DEBTORS				
31 December 2021				
Trade debtors	1,068,357	404,213	929,535	2,402,105
30 September 2022				
Trade debtors	746,333	114,374	561,799	1,422,506

	Current \$	1-3 months \$	3 months - 1 year \$	Total \$
ALLOWANCE FOR EXPECTED CREDIT LOSS ANALYSIS				
31 December 2021				
Expected loss rate (%)	0%	0%	86%	
Gross carrying amount of infringement debtors	-	-	272,486	272,486
Loss allowance	-	-	234,817	234,817
30 September 2022				
Expected loss rate (%)	0%	0%	63%	
Gross carrying amount of infringement debtors	-	-	446,518	446,518
Loss allowance	-	-	281,239	281,239

	2022 \$	2021 \$
MOVEMENT IN ALLOWANCE FOR EXPECTED CREDIT LOSSES		
Balance at the beginning of the year	(234,817)	(177,939)
New provisions recognised	(46,422)	(63,864)
Amounts written off as uncollectible	-	6,986
Balance at the end of the year	(281,239)	(234,817)

Receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan and no active enforcement activity.

**NOTE 5.2
PAYABLES**

	2022	2021
	\$	\$
CURRENT PAYABLES		
Contractual		
Trade creditors	598,817	-
Accrued expenses	847,837	1,182,237
Other payables	150,601	28,338
Statutory		
PAYG, FBT and GST liabilities payable	171,285	75,164
Total current payables	1,768,540	1,285,739

All trade and other creditors are non-interest bearing. The carrying amount of creditors approximates fair value.

Payables consist of:

- + **Contractual payables** are classified as financial instruments and measured as financial liabilities at amortised cost. Accounts payable represent liabilities for goods and services provided to the Board prior to the end of the financial year that are unpaid, and arise when the Board becomes obliged to make future payments in respect of the purchase of those goods and services;
- + **Contractual Liabilities** where revenue is received in advance of related obligations being met revenue is deferred on the balance sheet. If the grant revenue is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant income in relation to the construction of capital assets which the Board controls is recognised in accordance with AASB 1058 and recognised as deferred capital grant income.
- + **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 a contract.
- + **Trade Creditors** have an average credit period of 30 days.

Maturity analysis of contractual payables^(a)

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
	\$	\$	\$	\$	\$	\$	\$
2022							
Trade creditors	598,817	598,817	598,817	-	-	-	-
Accrued expenses	847,837	847,837	847,837	-	-	-	-
Other payables	150,601	150,601	150,601	-	-	-	-
Total	1,597,255	1,597,255	1,597,255	-	-	-	-
2021							
Trade creditors	-	-	-	-	-	-	-
Accrued expenses	1,182,237	1,182,237	1,182,237	-	-	-	-
Other payables	28,338	28,338	28,338	-	-	-	-
Total	1,210,575	1,210,575	1,210,575	-	-	-	-

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

Note 5.2.1 Contract Liabilities	2022	2021
	\$	\$
Current Contract Liabilities		
Unearned revenue	4,621,269	3,342,458
Grants Received in advance	534,983	741,399
Non-current Contract Liabilities		
Unearned revenue	2,936,757	-
Total Contract Liabilities	8,093,009	4,083,857

Contract liabilities include grant consideration from DELWP provided COVID-19 funding support for operational requirements as per the performance obligations. In addition, consideration was also received in advance for site rental, service charges, gas utilisation, Ausnet Services Trench works and nursery plants to be delivered in 2022/23. These items will be recognised once the performance obligation have been met. The performance obligation will be met for these when the goods and services have been delivered.

Note 5.2.2 Deferred Capital Grant Income	2022	2021
	\$	\$
CURRENT DEFERRED CAPITAL GRANT INCOME		
Grant consideration for capital works recognised included in the deferred grant liability balance at the beginning of the year	3,342,458	2,580,000
Grant consideration for capital works received during the year	5,628,800	4,298,889
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(1,413,233)	(3,536,431)
Closing balance of deferred consideration received for capital works	7,558,026	3,342,458

Grant consideration was received from the Commonwealth Government to support the construction of multiple capital projects. Grant income is recognised progressively as the asset is constructed, since this is the time when the Board satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. (see note 2.2.4) As a result, the Board defers recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

NOTE 5.3 INVENTORIES	2022	2021
CURRENT INVENTORIES	\$	\$
Supplies and consumables		
Fuel at cost	71,167	34,029
	71,167	34,029
Inventories held for sale		
Gas at cost	85,109	87,408
Horticultural Plants at cost	50,295	58,521
	135,404	145,929
Total inventories	206,571	179,958

Inventories comprise goods for resale and goods for consumption in the ordinary course of operations. All inventories are valued at the lower of cost and net realisable value. The carrying amounts of any inventories held for distribution are expensed when distributed.

**NOTE 5.4
RIGHT-OF-USE ASSETS**

	2022	2021
	\$	\$
Gross Carrying Amount	83,315	83,315
Additions	-	-
Accumulated Depreciation	(36,740)	(35,721)
Net carrying amount	46,575	47,594
Depreciation on right-of-use assets (ROU)		
Right-of-use asset - Dell Computers	-	-
Right-of-use asset - Fuji Xerox Printer	-	6,802
Right-of-use asset - Moritz Apartments	1,019	1,359
Total Depreciation on right-of-use assets	1,019	8,161
Opening balance - 1 January 2021		55,755
Depreciation		(8,161)
Closing Balance - 31 December 2021		47,594
Opening balance - 1 January 2022		47,594
Depreciation		(1,019)
Balance at 30 September 2022		46,575

Right-of-use assets

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

- + any lease payments made at or before the commencement date 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.

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

SECTION 6: HOW WE FINANCED OUR OPERATIONS

INTRODUCTION

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

STRUCTURE

- 6.1 Borrowings
- 6.2 Lease liabilities
- 6.3 Cash flow information and balances
- 6.4 Commitments for expenditure

NOTE 6.1 BORROWINGS

	2022 \$	2021 \$
CURRENT BORROWINGS		
Fixed interest loan from TCV ⁽ⁱ⁾	142,690	135,877
Lease liabilities ⁽ⁱⁱ⁾	80	1,633
Total Current borrowings	142,770	137,510
NON-CURRENT		
Fixed interest loan from TCV ⁽ⁱ⁾	626,214	734,099
Lease liabilities ⁽ⁱⁱ⁾	51,742	51,506
Total Non-Current borrowings	677,956	785,605
Total Borrowings	820,726	923,115

(i) Secured by the Treasurer in the form of Government guarantee

(ii) Secured by the assets leased

Maturity analysis of borrowings

	Carrying amount	Nominal amount	Maturity dates			
			1-3 months	3 months - 1 year	1-5 years	5+ years
	\$	\$	\$	\$	\$	\$
2022						
Loans from TCV	768,904	768,904	34,805	107,886	626,214	-
Lease liabilities	51,822	51,822	7	72	780	50,962
Total	820,726	820,726	34,812	107,958	626,994	50,962
2021						
Loans from TCV	869,976	869,976	33,143	102,734	734,099	-
Lease liabilities	53,139	53,139	1,605	29	578	50,928
Total	923,115	923,115	34,748	102,763	734,677	50,928

Borrowings: refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria and lease liabilities. Borrowings are classified as financial instruments.

Fixed interest TCV loans: are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Note 6.1.1 Interest on borrowings

Interest expense: Interest expense on loans and leases	2022	2021
	\$	\$
Interest expense		
Interest on government loans	40,860	62,405
Interest on leases	1,577	2,223
Total interest expense	42,436	64,628

NOTE 6.2 LEASE LIABILITIES

The Board lease various items of office equipment and a property. The lease contracts terms are between three and seven years and property leases with a 37 year remaining lease term. These contracts do not allow the Board to purchase the facilities after the lease ends, but the lease can be renewed.

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 the Board'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.

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 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

The Board has elected to account for short-term leases which are less than a year 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.

Amounts recognised in the Comprehensive Operating Statement relating to leases

	2022	2021
	\$	\$
Interest expense on lease liabilities	1,577	2,223
Expenses relating to short term leases	131,336	52,000
Depreciation expense on lease liabilities	1,019	8,161
Total amount recognised in the statement of comprehensive income	133,932	62,384

Amounts recognised in the Statement of Cashflows relating to leases

Total cash outflow for leases – principal component	1,318	7,657
Total cash outflow for leases – interest component	1,577	2,223
Total amount recognised in the statement of cashflows	2,894	9,880

Interest expense includes costs incurred in connection with the borrowing of funds and includes interest on short-term and long-term borrowings and the interest component of lease repayments. It is recognised in the period in which it is incurred.

**NOTE 6.3
CASHFLOW INFORMATION AND BALANCES**

	2022	2021
	\$	\$
Current		
Cash and cash equivalents	11,676,374	3,921,509
Balance as per cash flow statement	11,676,374	3,921,509

Cash and deposits recognised on the balance sheet 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 readily convertible to known amounts of cash with an insignificant risk of changes in value.

Note 6.3.1 Reconciliation of net results for the period to cash flow from operating activities	2022 \$	2021 \$
Net Result for the reporting period	4,510,549	5,241,791
Non-Cash Movements		
Depreciation on PPE	1,493,847	1,729,203
Depreciation of ROU	1,019	8,161
Change in operating assets and liabilities		
Decrease / (increase) in receivables	1,091,624	(303,401)
Decrease / (increase) in inventories	(26,613)	(61,329)
Decrease / (increase) in prepayments	(87,636)	(6,578)
Increase / (decrease) in payables	482,801	844,929
Increase / (decrease) in contract liabilities	4,009,152	684,104
Increase / (decrease) in employee entitlements	104,534	(28,969)
Net Cash Inflow from operating activities	11,579,277	8,107,912

NOTE 6.4 COMMITMENTS FOR EXPENDITURE

	Less than 1 year \$	1-5 years \$	5+ years \$	Total \$
2022				
Operating commitments payable	1,658,534	716,783	-	2,375,318
Lease Commitments Payable	-	-	-	-
Capital Commitments Payable	200,581	72,278	-	272,858
Total commitments (inclusive of GST)	1,859,115	789,061	-	2,648,176
Less GST recoverable				(240,743)
Total commitments (exclusive of GST)				2,407,433
2021				
Operating commitments payable	999,398	1,311,159	-	2,310,557
Lease Commitments Payable	-	-	-	-
Capital Commitments Payable	4,461,180	-	-	4,461,180
Total commitments (inclusive of GST)	5,460,578	1,311,159	-	6,771,737
Less GST recoverable				(615,612)
Total commitments (exclusive of GST)				6,156,125

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and inclusive of GST payable.

In addition, 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.

SECTION 7: RISK, CONTINGENCIES & VALUATION JUDGEMENTS

INTRODUCTION

The Board is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. 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. For the Board, judgement was primarily applied to fair value determination.

Mount Hotham Alpine Resort Management Board's principal financial instruments comprise:

- + cash and deposits;
- + term deposits;
- + receivables;
- + payables;
- + loans from TCV; and
- + lease liabilities.

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 and financial liability above are disclosed in Note 7.3 to the financial statements.

The main purpose for holding financial instruments is to prudentially manage the Board's financial risks within the government policy parameters. The Board's main financial risks include credit risk, liquidity risk and interest rate risk which are managed in accordance with the financial risk management policy. The Board uses different methods to measure and manage the different risks to which it is exposed.

Interest rate risk exposure is insignificant and might arise primarily through the Board's interest bearing liabilities. Minimisation of risk is achieved by using fixed rate or non-interest-bearing financial instruments. The Board mainly incurs financial liabilities with relatively even maturity profiles. There has been no change to the Board's credit risk profile in the 2022 financial year. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired.

Interest rate risk exposure: The Board's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below.

STRUCTURE

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

NOTE 7.1

FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

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

Categories of financial assets

The Board has classified all financial assets as 'financial assets at amortised cost' under AASB 9. These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Board recognises the following assets in this category:

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

Categories of financial liabilities

The Board has classified all financial liabilities as 'financial liabilities at amortised cost' under AASB 9. These liabilities 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.

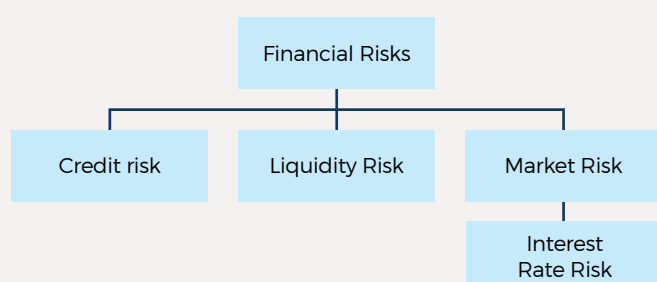
The Board recognises the following liabilities in this category:

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

7.1.1 Financial instruments: Categorisation

	<i>Financial assets at amortised cost</i>	<i>Financial liabilities at amortised cost</i>	<i>Total</i>
	\$	\$	\$
2022			
Contractual financial assets			
Cash and deposits	11,676,374	-	11,676,374
Receivables ⁽ⁱ⁾	1,422,506	-	1,422,506
Other receivables	-	-	-
Term Deposits	-	-	-
Total contractual financial assets	13,098,880	-	13,098,880
Contractual financial liabilities			
Accounts Payable ⁽ⁱ⁾	-	1,597,255	1,597,255
Fixed Rate Borrowings - TCV	-	768,904	768,904
Lease Liabilities	-	51,822	51,822
Total contractual financial liabilities	-	2,417,979	2,417,979
2021			
Contractual financial assets			
Cash and deposits	3,921,509	-	3,921,509
Receivables ⁽ⁱ⁾	2,402,105	-	2,402,105
Other receivables	-	-	-
Term Deposits	-	-	-
Total contractual financial assets	6,323,614	-	6,323,614
Contractual financial liabilities			
Accounts Payable ⁽ⁱ⁾	-	1,210,575	1,210,575
Fixed Rate Borrowings - TCV	-	869,976	869,976
Lease Liabilities	-	53,139	53,139
Total contractual financial liabilities	-	2,133,689	2,133,689

(i) The total amount disclosed here excludes statutory amounts (e.g. amounts owing from Infringements, Victorian Government and GST input tax credit recoverable, and taxes payable).

Note 7.1.2 Financial risk management objectives and policies


Credit quality of financial assets

	<i>Financial institution (double-A credit rating)</i>	<i>Other</i>	<i>Total</i>
2022			
Financial assets		\$	\$
Financial assets with loss allowance measured at 12-month expected credit loss			
Cash and deposits	11,676,374	-	11,676,374
Statutory receivables	-	1,422,506	1,422,506
Financial assets with loss allowance measured at lifetime expected credit loss			
Contractual receivables applying the simplified approach for impairment	-	-	--
Total financial assets	11,676,374	1,422,506	13,098,880

	<i>Financial institution (triple-A credit rating)</i>	<i>Other</i>	<i>Total</i>
2021			
Financial assets		\$	\$
Financial assets with loss allowance measured at 12-month expected credit loss			
Cash and deposits	3,921,509	-	3,921,509
Statutory receivables	-	2,402,105	2,402,105
Debt investment measured at amortised cost	-	-	-
Financial assets with loss allowance measured at lifetime expected credit loss			
Contractual receivables applying the simplified approach for impairment	-	-	--
Total financial assets	3,921,509	2,402,105	6,323,614

Interest rate exposure of financial instruments

	Weighted average interest rate	Carrying amount	Fixed interest	Variable interest	Non- interest bearing
2022	%	\$	\$	\$	\$
Financial assets					
Cash and deposits	0.12%	11,676,374	-	-	11,676,374
Receivables and other receivables ⁽ⁱ⁾		1,422,506	-	-	1,422,506
Other financial assets		-	-	-	-
		13,098,880	-	-	13,098,881
Financial liabilities					
Accounts Payable ⁽ⁱ⁾		1,597,255	-	-	1,597,255
Fixed Rate Borrowings - TCV	6.58%	768,904	768,904	-	-
Lease Liabilities		51,822	51,822	-	-
		2,417,981	820,727	-	1,597,255
2021					
Financial assets					
Cash and deposits	0.67%	3,921,509	2,000,000	-	1,921,509
Receivables and other receivables ⁽ⁱ⁾		2,402,105	-	-	2,402,105
Other financial assets		-	-	-	-
		6,323,614	2,000,000	-	4,323,615
Financial liabilities					
Accounts Payable ⁽ⁱ⁾		1,210,575	-	-	1,210,575
Fixed Rate Borrowings - TCV	6.58%	869,976	869,976	-	-
Lease Liabilities		53,139	53,139	-	-
		2,133,691	923,116	-	1,210,575

(i) The total amount disclosed here excludes statutory amounts (e.g. amounts owing from Infringements, Victorian Government and GST input tax credit recoverable, and taxes payable).

Sensitivity disclosure analysis

The following table details the sensitivity to movements in interest rates based on a parallel shift of -1% and +1% from market rates at year end.

Interest rate risk sensitivity

	Carrying amount	-1.0%	-1.0%	1.0%	1.0%
Financial assets	\$	Net result	Equity	Net result	Equity
2022					
Cash exposed to variable interest rates and short term deposits	11,676,374	(116,764)	(116,764)	116,764	116,764
2021					
Cash exposed to variable interest rates and short term deposits	3,921,509	(39,215)	(39,215)	39,215	39,215

Market risk: The Board's exposure to market risk is primarily through interest rate risk as detailed below.

Interest rate risk sensitivity: The Board's exposure to interest rate risk is minimal, as exposure is limited to cash and deposit balances held. Taking into account past performance and future expectations, a 1% increase or decrease in interest rates is reasonably possible over the next 12 months. The effect on cash assets would be an increase or decrease in fair value of \$116,764 (2021: \$39,215).

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

The Board makes every attempt to communicate with site holders and infringement debtors regarding any overdue financial obligations. 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. As discussed in Note 2.2.5, in accordance with the COVID-19 Omnibus (Emergency Measures) (Commercial Leases and Licences) Regulations 2020, interest has not been applied on outstanding tenants debts from 27 April 2020 and will be reviewed on expiry of the existing Omnibus.

In addition, the Board does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. The Board's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Board will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments and debts that are more than 60 days overdue.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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

There has been no material change to the Board's credit risk profile in 2022.

Refer to Note 5.1 for further details in respect to the Board's calculation of expected credit losses in relation to receivables balances.

Liquidity risk: Liquidity risk arises when the Board is unable to meet its financial obligations when they fall due.

The Board operates under the Government fair payments policy of settling financial obligations within 30 days. In the event of a dispute, the Board makes payment within 30 days from the date of resolution. The Board also continuously manages risk through monitoring future cashflows and planning deposit maturities to ensure an adequate holding of high quality liquid assets. In addition, the Board only invests in highly liquid markets.

Due to the impact of Covid-19 (see Note 1.3) creditor payments continue to be a period to 14 days and also reliance on Government support to manage liquidity, given the depletion of cash reserves.

**NOTE 7.2
CONTINGENT ASSETS
AND CONTINGENT LIABILITIES**

There are no unquantifiable contingent liabilities (2021: Nil).

There are no contingent assets (2021: Nil).

**NOTE 7.3
FAIR VALUE DETERMINATION**

Significant judgement:

Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- + 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.

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.

The Board 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 2022 reporting period.

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

The Valuer-General Victoria (VGV) is the Board's independent valuation agency.

7.3.1 Fair value determination: non-financial physical assets

Fair value measurement hierarchy	Carrying amount as at 30 Sep 2022	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
2022	\$	\$	\$
Land at fair value			
Non-specialised land	265,000	265,000	-
Specialised land	42,682,915	-	42,682,915
Total of Land at fair value	42,950,915	265,000	42,682,915
Buildings at fair value			
Non-specialised buildings	1,320,000	1,320,000	-
Specialised buildings	8,720,197	-	8,720,197
Total of Buildings at fair value	10,040,197	1,320,000	8,720,197
Village and Community Infrastructure at fair value			
Village and Community Infrastructure at fair value	6,706,427	-	6,706,427
Total of Village and Community Infrastructure at fair value	6,706,427	-	6,706,427
Roads and Car Parks at fair value			
Roads and Car Parks at fair value	17,783,374	-	17,783,374
Total of Roads and Car Parks at fair value	17,783,374	-	17,783,374
Water Assets at fair value			
Headworks	2,761,981	-	2,761,981
Distribution works	606,622	-	606,622
Treatment	300,342	-	300,342
Water storage	3,500,114	-	3,500,114
Water reticulation	4,286,949	-	4,286,949
Drains	5,615,995	-	5,615,995
Total of Water Assets at fair value	17,072,002	-	17,072,002
Sewerage Assets at fair value			
WWTP	3,548,284	-	3,548,284
Sewer pump wells	788,346	-	788,346
Sewer reticulation	3,251,419	-	3,251,419
Ultrafiltration	2,314,395	-	2,314,395
Total of Sewerage Assets at fair value	9,902,443	-	9,902,443
Gas Assets at fair value			
Gas storage	629,650	-	629,650
Gas reticulation	1,974,176	-	1,974,176
Customer supply	35,151	-	35,151
Total of Gas Assets at fair value	2,638,977	-	2,638,977
Plant, Equipment and Vehicles at fair value			
Vehicles	107,498	-	107,498
Plant and equipment	723,903	-	723,903
Total of Plant, Equipment and Vehicles at fair value	831,402	-	831,402

(i) Classified in accordance with the fair value hierarchy, see note 7.3
Assets under construction are excluded from the table above as they are measured at cost.

Fair value measurement hierarchy	Carrying amount as at 31 Dec 2021	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
2021	\$	\$	\$
Land at fair value			
Non-specialised land	265,000	265,000	-
Specialised land	38,071,000	-	38,071,000
Total of Land at fair value	38,336,000	265,000	38,071,000
Buildings at fair value			
Non-specialised buildings	1,320,000	1,320,000	-
Specialised buildings ⁽ⁱⁱⁱ⁾	6,819,882	-	6,819,882
Total of Buildings at fair value	8,139,882	1,320,000	6,819,882
Village and Community Infrastructure at fair value			
Village and Community Infrastructure at fair value	6,868,577	-	6,868,577
Total of Village and Community Infrastructure at fair value	6,868,577	-	6,868,577
Roads and Car Parks at fair value			
Roads and Car Parks at fair value	11,080,087	-	11,080,087
Total of Roads and Car Parks at fair value	11,080,087	-	11,080,087
Water Assets at fair value			
Headworks	2,800,000	-	2,800,000
Distribution works	657,500	-	657,500
Treatment	312,000	-	312,000
Water storage	3,560,000	-	3,560,000
Water reticulation	4,078,012	-	4,078,012
Drains	5,686,000	-	5,686,000
Total of Water Assets at fair value	17,093,512	-	17,093,512
Sewerage Assets at fair value			
WWTP	3,667,315	-	3,667,315
Sewer pump wells	811,000	-	811,000
Sewer reticulation	3,159,000	-	3,159,000
Ultrafiltration	2,397,000	-	2,397,000
Total of Sewerage Assets at fair value	10,034,315	-	10,034,315
Gas Assets at fair value			
Gas storage	667,300	-	667,300
Gas reticulation	1,857,000	-	1,857,000
Customer supply	32,000	-	32,000
Total of Gas Assets at fair value	2,556,300	-	2,556,300
Plant, Equipment and Vehicles at fair value			
Vehicles	143,194	-	143,194
Plant and equipment	834,518	-	834,518
Total of Plant, Equipment and Vehicles at fair value	977,712	-	977,712

(i) Classified in accordance with the fair value hierarchy, see note 7.3.

Assets under construction are excluded from the table above as they are measured at cost.

There have been transfers between levels during the period as a result of assets that have level 2 inputs, in accordance with their valuation methodology being based on market influences.

Specialised land and specialised buildings

The market based direct comparison is used for owner occupied land and the present value (PV) of future cash flows is used for leased land. Specialised land is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued as at 31 December 2021.

The CSO is an allowance made to reflect the difference between unrestricted freehold land and assets held by the public sector which may be affected due to political, social and economic restraints. This may arise because the land is Crown land and in a public use zone or is considered an iconic property that would be difficult to sell. As CSO allowances are considered significant unobservable inputs in nature, specialised land is classified as Level 3 fair value measurements.

The fair value for the land under lease at the resort is based upon the individual site lease information. It is then assessed by determining a site value for each site and calculating the present value of the income stream (the site rental), combined with the reversion of the site, based on the remaining (unexpired) term of the lease. As there are significant unobservable inputs involved in lease valuation, leased land is classified as Level 3 fair value measurements.

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

An independent valuation of the Board’s specialised land and specialised buildings was performed by PwC on behalf of the Valuer-General Victoria. The market is being impacted by the uncertainty caused by COVID-19. This valuation is therefore reported based on ‘significant valuation uncertainty’. This valuation is current as at 31 December 2021. The replacement value assessed for specialised land and buildings may change significantly over a short period of time (including due to factors that the Valuer could not have reasonably been aware of as at valuation date).

Non-specialised land and non-specialised buildings

Non-specialised land is valued using the market approach. Under this valuation method the assets are compared to recent comparable sales or sale of comparable assets which are considered to have a nominal or no added improvement value. To the extent that non-specialised land does not contain significant unobservable adjustments these assets are classified as Level 2 under the market based direct comparison approach.

Non-specialised buildings are general purpose or commercial buildings where there is a secondary market and a market value can be determined by appraisal. To the extent that non-specialised buildings do not contain significant unobservable adjustments these assets are classified as Level 2 under the market appraisal approach.

An independent valuation of the Board’s non-specialised land and non-specialised buildings was performed by PwC on behalf of the Valuer-General Victoria. The market is being impacted by the uncertainty caused by COVID-19. This valuation is therefore reported based on ‘significant valuation uncertainty’. This valuation is current as at 31 December 2021. The replacement value assessed for non-specialised land and buildings may change significantly over a short period of time (including as a result of factors that the Valuer could not have reasonably been aware of as at valuation date).

Village and community infrastructure, roads and car parks, water, sewerage and gas

All village and community infrastructure, roads and car parks, water, sewage and gas assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/ component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the roads and carparks, water, sewerage and gas infrastructure assets.

An independent valuation of the Board’s village and community infrastructure, roads and car parks was performed by PwC on behalf of the Valuer-General Victoria. The market is being impacted by the uncertainty caused by COVID-19. This valuation is therefore reported based on ‘significant valuation uncertainty’. This valuation is current as at 31 December 2021. The replacement value assessed may change significantly over a short period of time (including due to factors that the Valuer could not have reasonably been aware of as at valuation date).

Vehicles

Vehicles are valued using the current replacement cost method. The Board 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 the Board who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment

Plant and equipment is 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 the current replacement cost method.

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

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

Plant, Equipment & Vehicles
Reconciliation of Level 3 fair value movements

2022	Opening balance	Transfers to Level 2	Purchases (sales)	Revaluation	Depreciation	Closing balance
	\$	\$	\$	\$	\$	\$
Specialised land	38,071,000	-	-	4,565,228	-	42,636,228
Specialised buildings	6,819,882	-	376,061	1,769,738	(245,484)	8,720,197
Village and Community Infrastructure	6,868,577	-	23,670	-	(185,820)	6,706,427
Roads and car parks	11,080,087	-	6,941,782	-	(238,495)	17,783,374
Headworks	2,800,000	-	-	-	(38,019)	2,761,981
Distribution works	657,500	-	-	-	(50,878)	606,622
Treatment	312,000	-	-	-	(11,658)	300,342
Water storage	3,560,000	-	-	-	(59,886)	3,500,114
Water reticulation	4,078,012	-	275,000	-	(66,063)	4,286,949
Drains	5,686,000	-	-	-	(70,005)	5,615,995
WWTP	3,667,315	-	-	-	(119,031)	3,548,284
Sewer pump wells	811,000	-	-	-	(22,654)	788,346
Sewer reticulation	3,159,000	-	137,670	-	(45,252)	3,251,419
Ultrafiltration	2,397,000	-	-	-	(82,605)	2,314,395
Gas storage	667,300	-	-	-	(37,650)	629,650
Gas reticulation	1,857,000	-	146,376	-	(29,200)	1,974,176
Customer Supply	32,000	-	5,202	-	(2,051)	35,151
Plant, Equipment and Vehicles	1,024,287	-	42,786	-	(189,096)	877,976

Reconciliation of Level 3 fair value movements

2021	<i>Opening balance</i>	<i>Transfers to Level 2</i>	<i>Purchases (sales)</i>	<i>Revaluation</i>	<i>Depreciation</i>	<i>Closing balance</i>
	\$	\$	\$	\$	\$	\$
Specialised land	30,863,208	(265,000)	-	7,472,792	-	38,071,000
Specialised buildings	6,589,159	(1,320,000)	-	1,789,193	(238,471)	6,819,882
Village and Community Infrastructure	4,842,491	-	585,055	1,656,612	(215,582)	6,868,577
Roads and car parks	7,982,871	-	27,987	3,171,938	(102,709)	11,080,087
Headworks	2,898,000	-	-	(35,000)	(63,000)	2,800,000
Distribution works	1,080,787	-	2,383	(391,509)	(34,162)	657,500
Treatment	285,009	-	-	48,605	(21,613)	312,000
Water storage	2,778,409	-	-	871,125	(89,534)	3,560,000
Water reticulation	1,199,719	-	2,573,746	526,687	(222,141)	4,078,012
Drains	5,824,900	-	-	(65,552)	(73,348)	5,686,000
WWTP	3,536,559	-	121,161	112,926	(103,330)	3,667,315
Sewer pump wells	623,425	-	-	221,198	(33,623)	811,000
Sewer reticulation	2,033,228	-	-	1,178,331	(52,559)	3,159,000
Ultrafiltration	1,966,793	-	-	549,494	(119,287)	2,397,000
Gas storage	673,745	-	-	16,811	(23,255)	667,300
Gas reticulation	1,148,340	-	-	758,587	(49,927)	1,857,000
Customer Supply	37,125	-	-	(4,000)	(1,125)	32,000
Plant, Equipment and Vehicles	1,170,301	-	92,948	-	(285,537)	977,712

Description of significant unobservable inputs to Level 3 valuations

2020 and 2021	Valuation Technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land	Owner Occupied: Market Approach Leased Land: Income Approach Non-leased land: Market Approach	Extent & Impact of Restriction of Use Discount Rate and lease income receipts Community Service Obligation (CSO)	20 per cent	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
Non-specialised land	Owner Occupied: Market Approach Leased Land: Income Approach Non-leased land: Market Approach	Direct cost per square metre Direct cost per parcel Sale of comparable assets	\$1 - \$421/m2 (\$136/m2)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
Specialised buildings	Depreciated replacement cost	Replacement cost per square metre Useful life of specialised buildings	\$1 - \$3,600/m2 (\$1,800/m2) 15 to 60 years (38 years)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Non-specialised buildings	Market Approach	Direct cost per square metre Sale of comparable assets	\$5,800-\$360/m2 (\$3,080/m2)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
Village and Community Infrastructure	Depreciated replacement cost	Cost per unit Useful life of infrastructure	\$650 - \$950,000/m2 (\$475,325/m2) 2-100 years (51 years)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Roads and car parks	Depreciated replacement cost	Cost per unit Useful life of infrastructure	\$900 - \$7,000,000/m2 (\$3,500,450/m2) 40-75 years (58 years)	
Headworks	Depreciated replacement cost	Cost per unit Useful life of headworks	\$2,800,000 per unit 70 years	
Distribution works	Depreciated replacement cost	Cost per unit Useful life of distribution works	\$2,300 - \$550,000 per unit (\$276,000 per unit) 3-60 years (32 years)	
Treatment	Depreciated replacement cost	Cost per unit Useful life of treatment	\$13,000 - \$160,000 per unit (\$173,000 per unit) 30 years	
Water storage	Depreciated replacement cost	Cost per unit Useful life of water storage	\$35,000 - \$2,100,000 per unit (\$1,067,500 per unit) 40-80 years (60 years)	
Water reticulation	Depreciated replacement cost	Cost per unit Useful life of water reticulation	\$5,200 - \$2,551,000 per unit (\$1,278,100 per unit) 25-70 years (48 years)	
Drains	Depreciated replacement cost	Cost per unit Useful life of drains	\$46,000 - \$5,000,000 per unit (\$2,523,000 per unit) 70 years	
WWTP	Depreciated replacement cost	Cost per unit Useful life of WWTP	\$5,500 - \$750,000 per unit (\$377,750 per unit) 5-60 years (33 years)	
Sewer pump wells	Depreciated replacement cost	Cost per unit Useful life of sewer pump wells	\$6,000 - \$150,000 per unit (\$78,000 per unit) 20-60 years (40 years)	
Sewer reticulation	Depreciated replacement cost	Cost per unit Useful life of sewer reticulation	\$8,000 - \$1,500,000 per unit (\$754,000 per unit) 60 years	
Ultrafiltration	Depreciated replacement cost	Cost per unit Useful life of ultrafiltration	\$14,000 - \$1,000,000 per unit (\$507,000 per unit) 15-60 years (38 years)	
Gas storage	Depreciated replacement cost	Cost per unit Useful life of gas storage	\$700 - \$180,000 per unit (\$90,350 per unit) 10-40 years (25 years)	
Gas reticulation	Depreciated replacement cost	Cost per unit Useful life of gas reticulation	\$14,000 - \$950,000 per unit (\$482,000 per unit) 20-60 years (40 years)	
Customer Supply	Depreciated replacement cost	Cost per unit Useful life of customer supply	\$5,200 - \$32,000 per unit (\$18,600 per unit) 20 years	
Plant, Equipment and Vehicles	Depreciated replacement cost	Cost per unit Useful life of plant, equipment & vehicles	\$100 - \$165,000 per unit (\$82,550 per unit) 1-80 years (41 years)	

Investment properties

Fair value measurement hierarchy for assets as at 30 September 2022	Carrying amount as at 30 Sep 2022	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$	\$	\$
Investment Property ⁽ⁱ⁾	50,000	-	50,000

Fair value measurement hierarchy for assets as at 31 December 2021	Carrying amount as at 31 Dec 2021	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$	\$	\$
Investment Property ⁽ⁱ⁾	70,000	-	70,000

(i) Classified in accordance with the fair value hierarchy, recognised value as at 31 December 2021 due to revaluation of buildings.

SECTION 8: OTHER DISCLOSURES

INTRODUCTION

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

STRUCTURE

- 8.1 Other economic flows included in net result
- 8.2 Reserves
- 8.3 Responsible persons
- 8.4 Remuneration of executives
- 8.5 Related Parties
- 8.6 Remuneration of auditors
- 8.7 Australian Accounting Standards issued that are not yet effective

NOTE 8.1

OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

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

	2022	2021
Other gains / (losses) from other economic flows	\$	\$
Net gain / (loss) arising from revaluation of long service liability ^(a)	(55,495)	(52,964)
Total other gains/(losses) from other economic flows	(55,495)	(52,964)

(a) Revaluation gain/(loss) due to changes in bond rates.

NOTE 8.2 RESERVES

	2022	2021
Physical Asset Revaluation Surplus	\$	\$
Balance at beginning of financial year	48,558,255	30,680,016
Revaluation increments / (decrements) ^(a)	4,614,915	17,878,238
Balance at end of financial year	53,173,170	48,558,255
Net Changes in reserve	4,614,915	17,878,238

(a) The physical assets revaluation surplus arises on the revaluation of land, infrastructure and buildings.

**NOTE 8.3
RESPONSIBLE PERSONS**

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the FMA, the following disclosures are made regarding responsible persons for the reporting period.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The relevant Minister's remuneration is reported separately in the financial statements of the Department of Environment, Land, Water and Planning.

Responsible Persons

The names of persons who were Responsible Persons during the financial year were:

Responsible Minister

Hon Liliana (Lily) D'Ambrosio

The responsible Minister for the period from 1 January 2022 to 27 June 2022 was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change and for the period 27 June 2022 to 30 September 2022 was the Hon Lily D'Ambrosio MP, Minister for Environment and Climate Action..

Board (Key Management Personnel)

Michelle Croughan, *Board Member from 1 January 2022 to 30 September 2022.*

Helen Moran, *Board Member from 1 January 2022 to 30 September 2022.*

Anthea Packer, *Deputy Chairperson from 1 January 2022 to 30 September 2022.*

Andrew Skewes, *Chairperson from 1 January 2022 to 30 September 2022.*

Peter Valerio, *Board Member from 1 January 2022 to 30 September 2022.*

Accountable Officer

Amber Gardner

Chief Executive Offer and Accountable Officer from 1 January 2022 to 30 September 2022.

Remuneration of Responsible Persons

Remuneration received, or due and receivable by Responsible Persons in connection with the management of the Board for the financial period ended 30 September 2022 was \$253,769 (2021: \$352,384).

Remuneration Bands	2022	2021
	\$	\$
\$0 - \$9,999	1	2
\$10,000 - \$19,999	4	5
\$190,000 - \$199,999	1	-
\$260,000 - \$269,999	-	1
Total Responsible persons	6	8
Total Remuneration	\$253,769	\$352,384

**NOTE 8.4
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 provides a measure of full time equivalent executive officers over the reporting period.

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

- + Short-term employee benefits include amounts such as wages, salaries, annual leave or personal 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.

There were no retirement benefits paid by the Board, in connection with, the retirement of Responsible Persons of the Board during the financial year.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.3)	2022 \$	2021 \$
Short-term employee benefits	645,125	1,005,509
Post-employment benefits	55,247	84,347
Other long-term benefits	7,654	7,544
Termination benefits	75,869	10,240
Total remuneration^(a)	783,895	1,107,640
Total number of executives	8	6
Total annualised employee equivalents^(b)	5	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 8.3).

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

**NOTE 8.5
RELATED PARTIES**

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

Related parties of the Board include:

- + all Key Management Personnel and their close family members 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 into on an arm's length basis.

Key management personnel (KMP) of Mt Hotham Alpine Resort Management Board include the Honourable Liliana D'Ambrosio, MP Minister for Energy, Environment and Climate Change, the Board and the Accountable Officer.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The relevant Minister's remuneration is reported separately in the financial statements of the Department of Environment Land Water and Planning.

Transactions with Key Management Personnel and other related parties	2022	2021
	\$	\$
Short-term employee benefits	232,001	323,331
Post-employment benefits	21,597	28,823
Other long-term benefits	170	230
Total remuneration ^(a)	253,769	352,384

(a) Some KMP's are also reported in the disclosure of remuneration of Executive officers (note 8.4)

Transactions with KMP and Other related Parties

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

Loans

At 30 September 2022 there were no loans in existence that have been made, guaranteed or secured by the Board to a Responsible Person of the Board or a related party of a Responsible Person (2021 - nil).

Commercial and property interests

Andrew Skewes is a Member and debenture holder of Anton Huetten Mt Hotham.

Related party transactions

All transactions are conducted on an arm's length commercial basis between the Board and the organisations listed below. During the year, the Board received/paid the following amounts:

FINANCIAL STATEMENTS
2022 Financial Year

Significant transactions with government related entities:	<i>Revenue</i> \$	<i>Expenditure</i> \$	<i>Assets applicable to related parties</i> \$	<i>Liabilities applicable to related parties</i> \$
Alpine Resorts Co-ordinating Council	-	143,354	-	-
Country Fire Authority	2,888	10,000	208	-
Department of Environment, Land, Water and Planning	1,661,225	207,419	495	-
Department of Health and Human Services	-	1,996	-	-
Department of Jobs Precincts and Regions	1,211,144	-	-	4,950,929
Falls Creek Alpine Resort Management Board	3,310	-	-	-
Mt Buller & Mt Stirling Alpine Resort Management Board	72,481	30,016	34,350	-
North East Management Catchment Authority	197,009	-	1,209	-
Tourism North East	-	148,500	-	-
Treasury Corporation Victoria	-	41,273	-	768,904
Vic Roads	-	21,792	-	-
Other transactions with related parties:				
Anton Huette (Hotham Heights) Inc.	38,795	-	-	-
Total	3,186,851	604,350	36,262	5,719,833

2021 Financial Year

Significant transactions with government related entities:	<i>Revenue</i> \$	<i>Expenditure</i> \$	<i>Assets applicable to related parties</i> \$	<i>Liabilities applicable to related parties</i> \$
Alpine Resorts Co-ordinating Council	-	143,667	-	83,217
Country Fire Authority	1,888	10,000	521	-
Department of Environment, Land, Water and Planning	3,752,998	38,278	-	-
Department of Health and Human Services	-	1,966	-	-
Department of Jobs Precincts and Regions	3,536,431	-	-	3,084,769
Falls Creek Alpine Resort Management Board	2,383	13,250	-	-
Mt Buller & Mt Stirling Alpine Resort Management Board	74,836	-	-	30,884
North East Management Catchment Authority	10,396	-	1,100	-
Tourism North East	6,524	142,245	-	-
Treasury Corporation Victoria	-	62,405	-	870,806
Valuer General Victoria	-	89,307	-	89,307
Vic Roads	-	26,485	-	-
Other transactions with related parties:				
Anton Huette (Hotham Heights) Inc.	49,678	-	9,425	-
Total	7,435,133	527,602	11,047	4,158,983

**NOTE 8.6
REMUNERATION OF AUDITORS**

	2022	2021
	\$	\$
VAGO Audit of the financial statements	38,829	31,000
Internal Auditors	25,250	20,613
Total remuneration of auditors	64,079	51,613

**NOTE 8.7
AUSTRALIAN ACCOUNTING STANDARDS (AAS) ISSUED THAT ARE NOT YET EFFECTIVE**

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

Future reporting periods

The table below outlines the accounting pronouncements that have been issued but not effective for 2022, which may result in potential impacts on public sector reporting for future reporting periods.

Issued but not yet effective Australian accounting and reporting pronouncements

Particular new AAS have been published that are not mandatory for the 30 September 2022 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises the Board of their applicability and early adoption where applicable. The table below lists AAS applicable to the Board that become effective for reporting periods commencing after the operative dates stated.

<i>Standard/Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on public sector entity financial statements</i>
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.	1 January 2023	The standard is not expected to have a significant impact on the public sector. The Board is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2022 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- + AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments.
- + AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.

DISCLOSURE INDEX

Legislation	Requirement	Page reference
REPORT OF OPERATIONS		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	8
FRD 22H	Purpose, functions, powers and duties	8
FRD 22H	Key initiatives and projects	24
FRD 22H	Nature and range of services provided	32
Management and structure		
FRD 22H	Organisational structure	48
Financial and other information		
FRD 10A	Disclosure index	111
FRD 12B	Disclosure of major contracts	17
FRD 15E	Executive officer disclosures	108
FRD 22H	Employment and conduct principles	49
FRD 22H	Occupational health and safety policy	49
FRD 22H	Summary of the financial results for the year	14
FRD 22H	Significant changes in financial position during the year	N/A
FRD 22H	Major changes or factors affecting performance	68
FRD 22H	Subsequent events	68
FRD 22H	Application and operation of the <i>Freedom of Information Act 1982</i>	56
FRD 22H	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	43
FRD 22H	Statement on National Competition Policy	54
FRD 22H	Application and operation of the <i>Protected Disclosures Act 2012</i>	56
FRD 22H	Details of consultancies over \$10,000	17
FRD 22H	Details of consultancies under \$10,000	17
FRD 22H	Disclosure of government advertising expenditure	17
FRD 22H	Disclosure of ICT expenditure	17
FRD 22H	Statement of availability of other information	57
FRD 22I	Significant changes or factors affecting performance	3
FRD 22I	Asset Management Accountability Framework maturity assessment	44
FRD 25D	Local Jobs First	54
FRD 29C	Workforce Data disclosures	50
SD 5.2	Specific requirements under Standing Direction 5.2	61
MRO	DataVic Access Policy	56
MRO	Capital projects	24
MRO	Social Procurement Framework	55

DISCLOSURE INDEX CONT.

Legislation	Requirement	Page reference
REPORT OF OPERATIONS		
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	61
SD 5.2.3	Declaration in report of operations	57
FINANCIAL STATEMENTS		
Declaration		
SD 5.2.2	Declaration in financial statements	61
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	61
SD 5.2.1(a)	Compliance with Standing Directions	61
Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 12B	Disclosure of major contracts	17
FRD 21C	Disclosures of Executive Officers	108
Legislation		
<i>Alpine Resorts (Management) Act 1997</i>		
<i>Freedom of Information Act 1982</i>		
<i>Building Act 1993</i>		
<i>Protected Disclosure Act 2012</i>		
<i>Local Jobs First Act 2003</i>		
<i>Financial Management Act 1994</i>		

**MOUNT HOTHAM ALPINE
RESORT MANAGEMENT BOARD**

PO Box 188
Bright Victoria 3741
Australia

T +61 3 5759 3550
F +61 3 5759 3693
info@mthotham.com.au
www.mthotham.com.au