



Mount Buller and Mount Stirling
Alpine Resort Management Board
Annual Report 2015–16





Contents

Overview

Message from the Chairman	1
Entity Information	3
Year at a Glance	4

Organisational Structure

Board of Directors	6
Resort Management Team	9
Organisational Chart	11

Strategic Direction and Operations

Introduction	12
Our Services	14
Our Environment	17
Our Tourism	20
Our Community	22
Our People	24
Our Corporate Governance	26

Financial Statements

2015–16 Financial Statements	31
Notes to Financial Statements	36
Independent Auditors Report	74
Disclosure Index	76



In accordance with the *Financial Management Act 1994*, I am pleased to present the Mount Buller and Mount Stirling Alpine Resort Management Board Annual Report for the year ending 31 December 2016.

Jaqueline Jennings
Chairman

*Mount Buller and Mount Stirling
Alpine Resort Management Board
3 March 2017*



Message from the Chairman

The 2016 snow season delivered outstanding visitation with Mt Buller welcoming 317,891 visitors for a total of 449,157 visitor days.

This result put Mt Buller's visitors at 5% above 2015 and 19% above the 10-year average. Visitor numbers at Mount Stirling finished marginally lower than 2015, with 6,041 visitors across the 2016 winter compared to 6,161 the previous winter, however finished the season 17% above the 10 year average for visitors and a huge 34% above the 10-year average for visitor days, reflecting the success in promoting Mt Stirling's unique backcountry experience.

Across the 2015-16 period, initiatives to improve the visitor experience were undertaken and implemented for the winter season. These included continued efficiency enhancements to Resort Entry processes, addressing wait time issues experienced during peak arrival times as a result of unprecedented growth in day visitation. In addition, a substantial capital works program was completed, with a strong focus on improving public amenity across both resorts.

The Mount Buller Resort Master Plan is now well into its implementation phase and continues to guide the resort's development over the next 10–15 years, as well as providing confidence for individual stakeholders to commit investment

in the mountain. A number of Master Plan projects have already been completed as part of the first phases, including Athletes' Walk, Black Forest Walk, the Resort Reception and Interpretive Centre at Alpine Central, the redevelopment of the YHA now Buller Central site, along with the complete renovation and extension to Village Square Plaza. Additionally, the next stage of the implementation phase has begun with the commencement of detailed analysis that will underpin the more strategic projects such as the development of world class snow play facilities at Horse Hill, the Valley North car parking facility and the Horse Hill to Village gondola.

In winter 2016 Mt Buller was proud to continue its role as host of Victorian Interschools Snowsports Championships and the South Australian Schools Snowsports events. Critical to the development of junior snowsports competitors and enthusiasts, these events are a successful partnership between Resort Management, Buller Ski Lifts, Mt Buller Chamber of Commerce and the Mt Buller Ratepayers Association.

Innovative and best practice environmental management programs continued to benefit

the resorts during 2015-16. The 'Living Bin' organics management system continued to recover good amounts of food waste, reducing the amount of waste going into landfill. The Mountain Pygmy-possum program continued with monitoring for the year indicating very strong growth in the population with the highest numbers ever recorded, and the eradication of the noxious plant Orange Hawkweed is imminent.

In the green season, Mt Buller continues to lead the way as Australia's premier mountain bike destination, and in addition to welcoming a continually growing number of guests each summer season, in December 2015 hosted the second Australian Mountain Bike Summit. This unique event dedicated to the mountain bike industry saw a strong contingent of domestic and international speakers and delegates come together to discuss the latest issues and trends facing the industry. Summer events continue to drive visitation, with significant events including the Targa High Country motor racing event (which has been secured through to 2022), bringing thousands of visitors to the mountains outside of the core winter period.

Key financial data	2014–15 '000	2015–16 '000	Change '000
Net Result	1,339	371	(968)
Total operating expenditure	12,765	15,241	2,476
Gas and electricity	769	798	29
Finance costs	91	84	(7)
(Gain)/loss on disposal of assets	19	(23)	(42)
Health	249	257	8
Depreciation	1,808	2,274	(466)
Staff costs	3,929	4,776	847
Cash on hand	4,493	4,406	(87)

In the coming year, along with delivering a comprehensive capital works program, we will continue the planning and design of a supplementary water storage facility at Mount Buller, with construction works on this key infrastructure project hoped to be able to be commenced in the near future. The new water storage facility will ensure the security of both potable and snowmaking water on Mount Buller for the coming years.

Additional development of initiatives and events to encourage year-round visitation will continue, while securing the winter economic engine of the resorts through enhancement of Mount Buller and Mount Stirling winter product offerings, services and brands.

The role of the Resort Management team involves, among other things, attempting to satisfy the desire, expectations and needs of its many stakeholders and in that regard I would like to acknowledge the input and support of the Department of Environment, Land, Water and Planning, the Department of Economic Development, Jobs, Transport and Resources, Buller Ski Lifts, the Mount Buller Chamber of Commerce, the Mount Buller Ratepayers Association, Stirling Experience, and many others in this endeavour.

In addition, I wish to acknowledge the support and dedication provided by the Resort Management team. Their hard work and dedication has allowed the organisation to deliver some outstanding results and to distinguish itself as a leader in alpine resort management.



Jacqueline Jennings

Chairman

*Mount Buller and Mount Stirling
Alpine Resort Management Board*



Entity Information

The Mount Buller and Mount Stirling Alpine Resort Management Board (RMB) is a statutory authority established by the *Alpine Resorts (Management) Act 1997* and responsible to the Minister for Environment, Climate Change and Water.

The RMB was established in 2004 by an amendment to the *Alpine Resorts (Management) Act 1997* (The Act), succeeding the separate Mount Buller Resort Alpine Management Board and the Mount Stirling Alpine Resort Management Board. The RMB is charged under the Act with managing the Mount Buller and Mount Stirling Alpine Resorts.

The RMB operates under the provisions of the Act and is established:

- As a Body Corporate with perpetual succession;
- With its own Common Seal;
- With the power to sue or be sued;
- To acquire, hold and dispose of real and personal property; and to carry out its functions as a Body Corporate may do at law.

The object of the *Alpine Resorts (Management) Act 1997*

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

- for the development, promotion, management and use of the resorts on a sustainable basis and in a manner that is compatible with the alpine environment, having regard to environmental and ecological considerations (in particular, climate change) economic considerations, and cultural heritage considerations (in particular, Indigenous cultural heritage considerations); and
- for the use of the resorts primarily for alpine recreation and tourism, in all seasons of the year and by persons from varied cultural and economic groups.

Statutory Reporting

The RMB is a statutory authority. The responsible Ministers during the 2015–16 reporting period were:

- The Hon Lisa Neville MP, Minister for Environment, Climate Change and Water for the period from 1 November 2015 to 22 May 2016; and
- The Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change from 23 May 2016 to 31 December 2016.

The Minister is responsible for Crown Land management and delegates their authority to the RMB to implement Government policy in relation to the use and management of the alpine resort.

The RMB accepts directions or guidelines from the Minister regarding its performance and the discharge of its functions, duties or power and undertakes to adopt best practice in all activities, reporting to the Minister through the Annual Reports, the Corporate Plan and Quarterly Financial Reports. The RMB also complies with the directions of the Minister for Finance and acts as a referral authority for development matters.

Functions of the RMB

As set out in Section 38 of the Act, the specific functions of the RMB are to:

- Act as a Committee of Management of any Crown Land deemed to be permanently reserved under the *Crown Land (Reserves) Act 1978* in the Resorts;
- Contribute together with Tourism Victoria and the Alpine Resorts Coordinating Council (ARCC) to the overall promotion of alpine resorts;

- Develop a tourism and marketing strategy for and to promote the Resorts, and collect and expend voluntary contributions from commercial undertakings in the Resorts for this purpose;
- Provide a range of services in the nature of: garbage disposal, water supply: recycled and potable, sewerage, gas, drainage, roads, fire protection and snowmaking.
- Charge contributions for the provision of those services;
- Collect fees prescribed by the Regulations for the Resorts;
- Attract investment for the improvement of the Resorts;
- Carry out any other function conferred on the RMB under the Act or any other Act;
- Plan for the development, promotion, management and use of the Resorts;
- Manage the Resorts in accordance with the objective of the Act as amended;
- Undertake research into alpine resort issues;
- Contribute to and support the operation of the ARCC;
- Prepare and implement a Strategic Management Plan for the Resorts; and
- Expend or apply revenue of the RMB in accordance with a direction of the Minister under Section 36(1A) of the Act.

The RMB must carry out its functions in an environmentally sound way.



Year at a Glance

Financial Summary	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Operating Revenue					
— Gate Entry	3,946	3,613	4,584	4,648	5,044
— Site Rental Fees	3,784	3,756	3,842	3,716	4,518
— Service Charges	3,299	3,382	3,538	3,636	4,362
— Sale of Rights to Lease and Develop Crown Land	0	0	0	932	293
— Government Funding	136	175	382	148	219
Other Revenue	1,077	1,540	879	1,043	1,153
Operating Expenditure	12,027	12,107	12,555	12,765	15,241
Other Economic Flows	-3,504	-90	-11	-19	23
Comprehensive result	-3,289 ²	269	659	1,339	371
Total Assets	170,475 ²	170,931	171,181	172,046	172,124
Total Liabilities	4,304	4,396	3,987	3,434	3,071
Net Assets	166,171	166,535	167,194	168,612	169,053
Assets Comprise:					
— Land	110,688	110,688	110,688	110,688	110,688
— Other non-financial assets	51,390 ²	53,398	54,898	55,687	55,508
— Financial assets	8,397	6,845	5,595	5,671	5,928

1 The comprehensive result for 2010-11 includes a reduction of \$25,705,000 in the ARMB's asset revaluation reserve resulting from asset revaluations directed by the Valuer-General Victoria.

2 The comprehensive result for 2011-12 includes a reduction of \$3,370,425 in the RMB's asset revaluation reserve resulting from asset revaluations directed by the Valuer-General Victoria.

Item / Key Performance Indicator	2013–14	2014–15	2015–16
Environmental Quality			
Number of Readings Within EPA Guidelines			
— Escherichia Coli	13/16	9/12	13/14
— Biochemical Oxygen Demand (5 day)	15/16	8/12	13/14
— Suspended Solids	15/16	9/12	13/14
Percentage of Total Waste Recycled	46%	51.50%	50%
Social Responsibility			
Visitor Average Nights on Mountain (Based on Gate Entry Sales, excl. Day Visitors)	2.3	2.4	2.3
Total Snow Making Water Used (megalitres)	230	275	257
Total Water Used for Fire Fighting (megalitres)	0	0	0
Total Winter Passengers using Free Shuttles	698,785	617,812	693,629
Mount Stirling Patrol Callouts	14	18	25
Economic Viability			
Mount Buller Winter Visitors ²	309,875	300,437	317,891
Mount Buller Summer Visitors ¹	82,723	89,695	102,515
Mount Buller Visitor* Days (Winter)	497,835	465,014	449,157
Mount Stirling Winter Visitors ²	7,228	6,096	6,041
Mount Stirling Summer Visitors ¹	46,369	34,698	57,755
Mount Stirling Visitor* Days (Winter)	9,828	7,677	8,288
Vehicles Through The Gate (Winter)	69,428	64,909	72,825
Total Investment by Private Developers (\$'000)	2,459	1,325	494
Capital Works Expenditure (\$'000) including expenditure on plant and equipment	3,265	2,631	2,595
Lease Holders	177	177	177
Properties Transferred ³	36	24	57
Accommodation Availability of "Public Beds" ⁴	1,587	1,587	3976
Accommodation Availability of "Private Beds" ⁴	6,684	6,684	4010
Mount Buller Maximum Snow Depth (cm) (Average)	120	76	77
Mount Stirling Maximum Snow Depth (cm) (Average)	109	69	67
Total Value of Approved Planning Permits (\$'000)	2,086	800	27,800

1. Summer visitor statistics for 2014-15 and 2015 -2016 have been updated using RMB final numbers as Alpine Resort Coordinating Council final numbers were unavailable.

2. Winter visitor statistics for and 2014–15 and 2015–16 have been updated using Alpine Resorts Coordinating Council final numbers.

3. "Properties Transferred" includes transfers of leases, sub-leases and/or shares.

4. The terms "Hot Beds" and "Cold Beds" have been abandoned due to perceived ambiguities. "Public Beds" refers to any bed made available for members, guests or general public at any stage throughout the year, even if only for one night. "Private Beds" are those used by a lessee, licensee or sub-lessee only. "Staff beds" have been removed from the count.



Board of Directors

The responsible Minister appoints Members of the Board, including a Chairman and Deputy Chairman, based on administrative, managerial, financial, environmental, legal, sporting and tourism skills necessary to oversee the running of the Resorts competently. Board Members are appointed for three years and are eligible for reappointment. Remuneration is determined by the Victorian Government guidelines.

The Board Members that served for the 2015–16 year were appointed by the State Government for three year terms.

Jennifer Hutchison Chairman

Appointed 28 October 2011
Reappointed 1 January 2016

- Graduate, Australian Institute of Company Directors (GAICD)
- Member, Alpine Resorts Coordinating Council (ARCC)
- Former Deputy Chairman, Lake Mountain Alpine Resort Management Board
- Enthusiastic writer, beekeeper, and walker.

Dean Belle

Appointed 30 April 2010
Re-appointed 4 June 2013
Ended 31 December 2015

- Owns and operates the Mansfield Regional Produce Store and Delatite Hotel
- Previous Judge for the Victorian Tourism Awards (3 years)
- Over 20 years experience operating businesses in and around the ski industry in Thredbo, Mount Buffalo and Mount Buller, including two years as Assistant Manager for Buller Ski Lifts (BSL).

Bryce Moore

Appointed 30 April 2010
Re-appointed 4 June 2013
Ended 31 December 2015

- Part owner and director, Moremac Property Group
- Former Division Councillor, Property Council of Australia (Victorian Division)
- Member and former director, Merrijig Ski Club
- Extensive property, planning and development experience in the private and Government sectors.

Kate Brooks

Appointed 28 October 2011
Ended 31 December 2015

- Graduate, Australian Institute of Company Directors (GAICD)
- Fellow, The Australian Rural Leadership Foundation
- Director, KAL Analysis
- Social research specialist, with a background in corporate affairs, marketing, business management and extensive experience in public sector governance and policy and community policy
- Adjunct Senior Fellow, The Australian National University, Research School of Social Sciences
- Avid skier originating from Mount Buller, bushwalker, rower and aviator
- Member of the NSW Marine Estate Expert Knowledge Panel, Ministerial Appointment.

Andrew Evans

Appointed 4 June 2013
Reappointed 1 January 2016

- Founder and joint Managing Director of Real Estate Development Corporation Pty Ltd
- Founder and joint Managing Director of Canopi Homes Pty. Ltd.
- Co-Founder and Director of Global Pipe Pty. Ltd
- Co-Founder of National Embedded Networks Pty. Ltd.
- Director of Futurefish Foundation
- Member of the Victorian Planning and Environmental Law Association
- Wealth of knowledge in the property industry spanning urban renewal, residential and industrial subdivision, development of commercial, industrial and retail projects, as well as medium and high-density residential development.
- Passion for environmental causes and is a keen skier.

John Lithgow

Appointed 4 June 2013
Ended 31 December 2015

- Graduate, Australian Institute of Company Directors (GAICD)
- Third generation Owner Operator of the Yarra Glen Grand Hotel, in Yarra Glen, Victoria
- Solid background in tourism promotion

- Keen skier and cyclist, with interests in politics and physical fitness.
- William Angliss Hospitality Graduate – Diploma Hotel Management
- At the forefront of the establishment of the Yarra Valley as a world wide tourism destination.

Elaine Farrelly

**Appointed 16 August 2013
Ended 31 December 2015**

- Global Finance Director, Movember
- Chartered Accountant with more than 20 years' experience
- Executive level experience across the telecommunications, media, property development, manufacturing and not for profit sectors
- Skilled in commercial development and assessment of new business and new products
- Fellow member of the Australian Institute of Company Directors
- Non-executive director of the Australian physiotherapy association.

Zita Peach

Appointed 1 January 2016

- Non-Executive Director of Vision Eye Institute Limited
- Non-Executive Director at Starpharma Limited
- Non-Executive Director at 4Dx Pty Ltd
- Non-Executive Director at Bionic Vision Technologies Pty Ltd.
- Extensive experience across the Asia Pacific region, and growing companies from start-up through to large multinational status.
- extensive international experience marketing and conducting major business transactions in multiple markets across the globe.

- Previous Vice President of Business Development at CSL Limited and has an extensive track record in M&A deals, licensing and commercialising products and technologies on a global scale.

Chris Pattas

Appointed 1 January 2016

- significant leadership and strategic experience across Strategy, Finance, Sales, Business Development, Marketing, Board, Transformations and Operations for businesses including BI Worldwide, Club Tourism, Lumo Energy, MYOB, Sensis, NEC, Ericsson, Western Port Water, Eastern Health and the City of Boroondara.
- broad industry knowledge and business improvement experience with Software, Information Technology, Telecommunications, Communication, Media, Advertising, Health, Water, Government, SMB, Tourism, Travel and eCommerce organisations.
- non-executive board experience within the health, water and local government sectors.
- Experienced presenter on a range of technology, sales and marketing topics.
- professional qualifications include an Engineering degree (with honours) and an MBA from the University of Melbourne.

Jacqui Jennings Deputy Chairman

Appointed 1 January 2016

- Non-Executive Director and Industrial Marketing Executive with a wealth of knowledge in Governance, Investment, Leadership, Risk and Audit.
- expertise in corporate oversight, insight and foresight, risk management and strategic direction.
- Chair of the Audit and Risk Committee

Ian Maxfield

Appointed 1 January 2016

- previous held employment as the Manager of Corporate Services at Mt Baw Baw Alpine Resort and as Chair of the Parliamentary Task Force investigating cattle grazing in Alpine National Parks.
- Director on the Board of Quantum Support Services,
- Chair of the Organisational Capability Committee and a
- member of the Audit and Risk Committee

Michelle Croughan

Appointed 1 January 2016

- Experienced local and State government planner
- Previous Manager of Alpine Planning for the State Government
- consultant to the Municipal Association of Victoria
- Graduate Member of the Australian Institute of Company Directors,
- Honours Degree in Planning and Design at Melbourne University
- Diploma in Business Management at RMIT
- Active member of the Victorian Coastal Council

Pecuniary Interest

- Members of the Board and Executive Officers have completed a Declaration of Private Interests and do not participate in decision-making where a conflict of interest exists.

Board Committees

Risk, Audit and Finance Committee

The RAFC is responsible for overseeing:

- Financial performance;
- The quality and effectiveness of RMB accounting, management reporting, policies and procedures;
- Compliance with the Financial Directions as issued by the Minister for Finance;
- Identification and assessment of risk, management of identified risks, referral of risk matters to the Board;
- The scope of work and performance of both external and internal auditors;
- Sign off of accounting policies; and
- Continuous monitoring of a framework and processes in compliance with the *Financial Management Act 1994*, and other laws and regulations that significantly impact on RMB code of conduct.

All RAFC Members are deemed independent under the *Financial Management Act 1994*.

Remuneration Committee

The Remuneration Committee is responsible for providing a recommendation to the Board regarding CEO remuneration and performance appraisal. In addition, the Committee ensures that all remuneration and policies concerning personnel are consistent with Victorian Government standards.

Governance Committee

The Governance Committee was established in the 2011–12 year to assist the Board to understand its mandate of best practice. The Committee is designed to be a reference point for discussion, debate and assistance in the application of best practice.

Future Business Modelling Committee

The Future Business Modelling Committee was established in the 2012–13 year to assist the Board to examine the current operating model and explore a range of initiatives that will lead to improvements in the RMB Financial Operating model.

Water Storage Project Committee

The Water Storage Project Committee was established in the 2012–13 year to assist with the design, development and construction of a water storage facility on Mt Buller.

Board Member Meeting Attendance Where Eligible to Attend

	Jennifer Hutchison	Jacqui Jennings	Andrew Evans	Zita Peach	Ian Maxfield	Michelle Croughan	Chris Pattas	Elaine Farrelly	Bryce Moore	Total Meetings Held
Board Meetings	14	12	14	10	12	12	12	2	2	14
Risk Audit and Finance Committee	5	3	–	–	3	–	–	1	1	5
Remuneration Committee	1	–	–	1	–	–	–			1
Governance Committee	4	–	–	4	–	–	4			4
Future Business Modelling Committee	1	–	3	–	1	4	–			4
Water Storage Project Committee	–	–	5	–	5	–	–			5



Resort Management Team



John Huber Chief Executive Officer

Appointed November 2009

The duties and responsibilities of the RMB Chief Executive Officer are to:

- Carry out the Board's directions;
- Manage day to day operations of the Resorts in accordance with approved policies;
- Manage and direct the organisation to achieve optimum profitability and effective use of business assets and human resources;
- Develop and review policy, and plan and control major functions relating to the operation and administration of the organisation through subordinate executives; and
- Leading the professional RMB team and enabling the Board's vision, direction and framework for the future development of the Resorts in an environmentally, economically and socially sustainable manner.

Glenn Thornton

Chief Financial Officer

Appointed March 2012

Responsible for financial management, risk management, finance (planning and analysis), audit (systems and controls), reporting, insurance, information technology, contract and legal services.

Louise Perrin

Environmental Services Manager

Appointed October 2004

Responsible for environmental management of the Resorts and Mount Stirling resort operations and ski patrol. Environmental management activities include endangered species and wildlife management, vegetation management, pest plant and animal control, track and trail development and maintenance, waste management initiatives, advice during construction and development, and education and communication programs.

Paul McNamara

Development and Operations Manager

Appointed August 2016

Following a restructure in August 2016, this role is now responsible for the leasing, planning and major capital development tasks of the former Property & Development Manager as well as the resort operations obligations of the former General Manager Resort Operations including preserving and enhancing the presentation and operational functionality of the resorts and the effective and efficient operation of resort utilities and infrastructure such as the provision of horticultural and amenity services, snow clearing and ice management, potable water supply, waste water treatment, water reticulation systems and water supply for snow making.



Denise O'Brien
Human Resources Manager

**Appointed June 2012 –
July 2016**

Responsible for the people, culture and development of the organisation including staff recruitment, training and performance development.

Andrew Markwick
General Manager
Resort Operations

**Appointed March 2012 –
August 2016**

Responsible for resort operations at Mount Buller and has the primary function of conducting works and capital works that preserve and enhance the presentation and operational functionality of the resorts. This includes the effective and efficient operation of resort utilities and infrastructure such as the provision of horticultural and amenity services, snow clearing and ice management, potable water supply, waste water treatment, water reticulation systems and water supply for snow making.

Amber Gardner
Director Marketing,
Sales and Business
Development

**Appointed March 2006 –
January 2016**

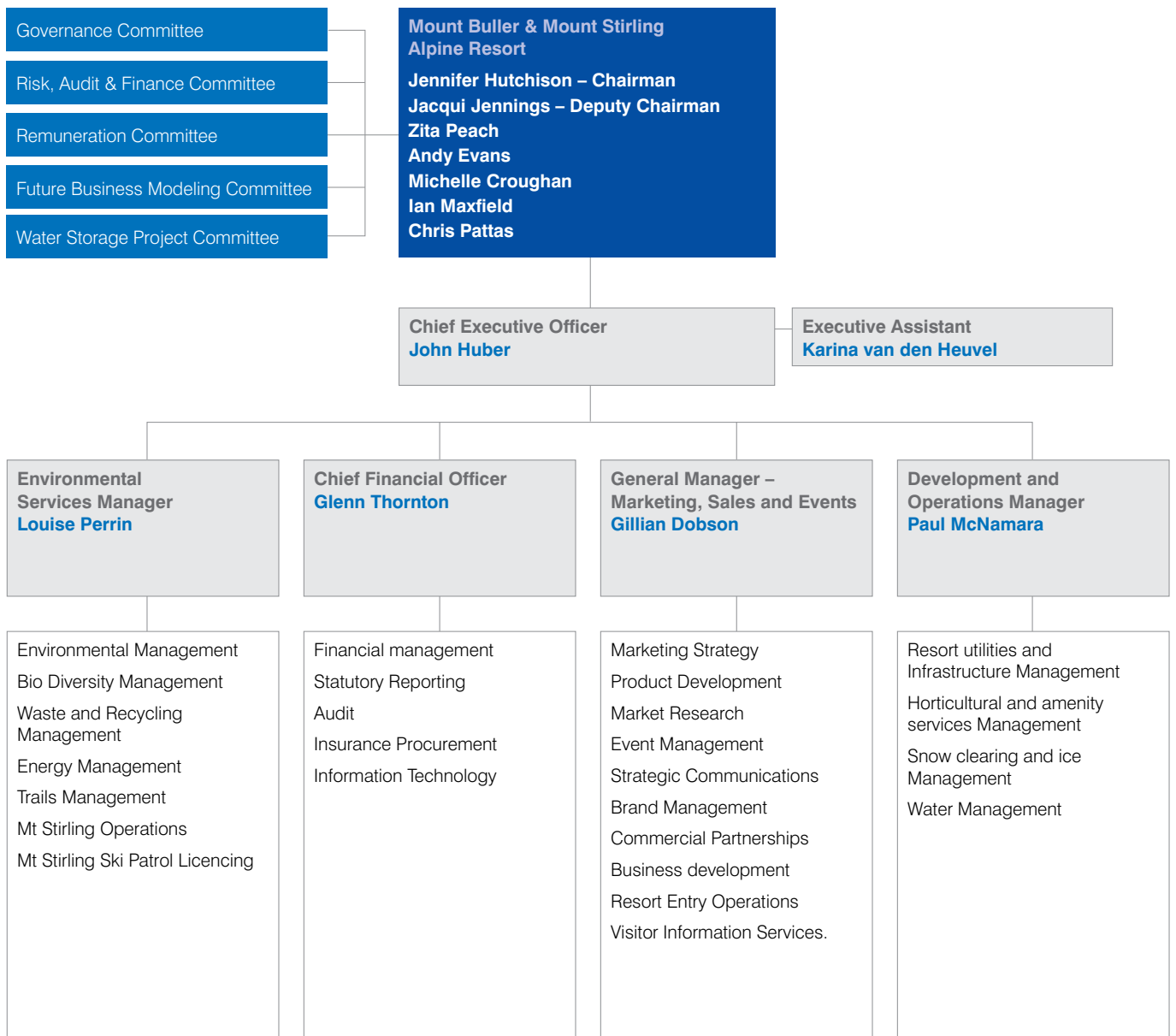
Responsible for developing long-term strategic initiatives that drive market share, Resort yield and business growth. This incorporates marketing strategy, product development, market research, event management, strategic communications, brand management, commercial partnerships, business development, resort entry operations and visitor information services.

Gillian Dobson
Group Manager –
Marketing, Sales and
Events

Appointed January 2016

Responsible for developing long-term strategic initiatives that drive market share, Resort yield and business growth. This incorporates marketing strategy, product development, market research, event management, strategic communications, brand management, commercial partnerships, business development, resort entry operations and visitor information services.

Organisational Chart





The RMB is committed to fulfilling its role within the context of the Victorian Government's Alpine Resorts Strategic Plan 2012.

The RMB recognises its stewardship responsibility for significant public assets and continues to manage these assets in a socially, economically and environmentally sustainable manner, while facilitating the public's ability to access and enjoy an alpine experience at all times of the year. The Resorts' Strategic Management Plan adopts the six strategic directions identified in the Alpine Resorts Strategic Plan 2012:

Enhancing the visitor experience and developing resorts

Delivering resort services and infrastructure efficiently and accountably

Building Partnerships

Respecting the Alpine Environment

Broadening access opportunities

Regulatory Reform



These strategic directions identified in the Alpine Resorts Strategic Plan 2012 underlie the Resorts' vision and six focus areas, which contain intent statements and objectives that form the basis of the RMB's internal strategic and operational planning, and is how information is categorised in this report (see the summary on the following page).





Vision

More than a mountain. Mt Buller and Mt Stirling are welcoming and accessible Australian alpine resorts. Their unique environments, histories and their sense of community create great mountain adventures and experiences all year round.



OUR SERVICES

To provide cost-effective, quality facilities and services that meet our community's needs and support the viable development of the Resorts.



OUR ENVIRONMENT

To protect and enhance biodiversity within our natural and modified environments and to strive for healthy and resilient ecosystems and promote sustainable practices.



OUR TOURISM

To develop the Resorts as viable tourism destinations that attract visitors by offering a range of high quality activities, facilities and experiences.



OUR COMMUNITY

To build and facilitate a vibrant and prosperous community and be a valued community member.



OUR PEOPLE

To be an employer of choice that values and is valued by all employees.



OUR CORPORATE GOVERNANCE

To maintain the integrity and value of our organisation through sound governance and financial management.





Our Services

Provide cost-effective, quality facilities and services that meet our community's needs and support the development of the Resorts through:

- Providing safe and reliable water, wastewater, and waste removal facilities and services
- Developing initiatives to further snow-making capabilities
- Managing and improving access to and movement around resorts
- Progressing the leasing and licensing process to support appropriate resort development and provide necessary community services
- Maximising asset performance by striving for best use, and improving asset efficiency through strong preventative maintenance

Performance Indicators – Corporate Plan Outputs

2015–2016 Performance Indicator			
KPI	Definition of Measure	Target	Achievement
On Mountain Services	Range of on mountain services	Increased range of service over prior year	Achieved
Planning Timelines	Planning timelines meet council norms	Meet council norms	Achieved
Leasing Framework	Lease inequities identified and removed	Year 1 Identify inequities Years 2 & 3 Remove inequities where possible	Achieved

Potable Water

The provision of safe drinking water is a core service provided by Resort Management. It is critical to the ongoing functionality of the Resort. Resort Management supplies drinking water to the Mount Buller Village, Mirimbah Picnic Area and Telephone Box Junction within Mount Stirling Resort. Drinking water is managed in accordance with the *Safe Drinking Water Act 2003* and is disinfected using combinations of UV, chlorination and filtration. In 2015–16, 455ML of water was transferred from Boggy Creek to the Burnt Hut Reservoir for the Mount Buller Village potable water supply. Of this, 182ML was then transferred to Sun Valley Reservoir for snowmaking.

Safe Drinking Water Risk Management Plan

In accordance with the *Safe Drinking Water Act 2003*, the RMB adopts a preventative management approach to the provision of safe drinking water, from catchment to consumer.

The Safe Drinking Water Risk Management Plan includes:

- Promotion of public health by ensuring safe drinking water for consumers;
- Continual monitoring of the drinking water supply system to ensure the barriers to contamination and treatment process remain efficient;
- Detailed and systematic evaluation of water systems, identification of hazards and risk assessment; and
- A preventative approach, which places drinking water quality monitoring in an appropriate verification role.

The Safe Drinking Water Risk Management Plan is regularly updated to ensure it reflects changing local circumstances. The plans were reviewed and updated in early 2016. The Plan was independently audited in June 2016 and a compliance certificate granted.

Sewage Treatment

The RMB continues to monitor the Sewage Treatment Plant as per Environmental Protection Agency (EPA) requirements to preserve water quality in local stream networks. A total of 12 samples were taken for *Escherichia Coli*, biochemical oxygen demand and suspended solids. There was one non-compliance occasion from the 14 samples taken during this period. Investigations have determined that storm water is entering the sewage collection system which is stretching the treatment plant and leading to non-compliance issues. Investigations and remedial actions are ongoing.

Garbage Collection

Over the 2016 winter season, 289 tonnes of solid waste to landfill was collected compared with 276 tonnes in winter 2015. A total of 740 tonnes of solid waste and recyclables were collected over the year compared with 709 tonnes in 2014–15.

Solid Waste Recycling

The RMB continually strives to improve its waste management to protect the sensitive and unique environment of the Resorts, by increasing recycling, diversion of organics and reducing the amount of solid waste going to landfill. These goals are strongly supported by active involvement in the North East Waste and Resource Recovery Group (NEWRRG), and a proactive and dynamic working relationship with RMB waste contractors, 4SITE Australia Pty Ltd.

In 2015–16, 50% of waste (including organics) was recycled.

The RMB continued to encourage and promote best practice waste management by:

- Improving and increasing the non-recyclable, recyclable and organics 'binrastructure' throughout the Resorts;
- Offering hard waste and green waste collection points (items are recycled/mulched where appropriate);
- Continued improvement and expansion of public place recycling and waste facilities throughout the Village and ski fields;
- Improved cigarette butt litter management including infrastructure;
- Advertising and promoting best practice waste management; and
- Implementing education strategies.

Since the inception of the successful trial in organics management during the 2010 winter season, the 'Living Bin' Program has continued to involve private and commercial properties, increasing the diversion of organics from landfill. During 2015–16, over 46 tonnes of organic waste was diverted from landfill (compared with 48 tonnes during 2014–15). An in-vessel composting

unit was operational for the fourth consecutive winter season in 2016 as we work towards achieving a complete on site solution.

Vehicular Access

Snow Clearing

A second deicing salt and calcium chloride spreader was added to the snow clearing fleet in 2014. It is a state of the art machine that has been imported from Europe where this method of road clearing is used extensively and is world's best practice. It is also used in North America and northern Asia such as Japan. Similar systems are also used in Kosciuszko National Park. It is a highly accurate system that has been introduced to reduce the use of grit.

Public Transport

The RMB continued to provide public transport to visitors at Mount Buller through its contract with Mansfield-Mount Buller Bus Lines (MMBL). The complimentary bus shuttles from the Resort carparks to the Village centre and

around the Village roads carried 693,629 passengers in 2015–16. The RMB continues to work with MMBL to provide a taxi service that is cost-effective and valued by the paying passenger.

Wheel Chains Policy

The RMB is aware of the need to balance ease of access and affordability with risk and public safety. In 2015–16, the RMB continued to employ its flexible Mount Buller Wheel Chain Policy, which allows the RMB to determine whether or not vehicles are required to carry wheel chains on a daily basis, based on weather forecasts and prevailing road conditions. The policy applies to day visitors only. Those staying in the Resort overnight or travelling beyond the Skating Rink Car Park (past the snowline) are required to carry chains at all times. The decision regarding chain requirements is determined using a decision matrix based on the Bureau of Meteorology weather forecasts and the current state of the road.



Leasing Administration

The RMB continues to administer the Minister's Alpine Resorts Leasing Policy, utilising a standard lease document which includes recognition of lessee's rights to improvements on leased land, and the ability for existing site holders to negotiate new leases prior to the expiry of their current lease. All new leases are endorsed by the Minister.

In order to develop measures to further enhance lessees and financiers investments in the Resorts, lease registration has now been introduced for all new leases. During 2015–16, 5 new leases were issued compared to 14 in 2014–15.

For the 2015–16 year there were a total of 53 consents granted for transfers of sub-leases and/or shares compared to 24 in 2014–15. There were 98 consents for new sub-leases and 7 consents for the mortgage of sub-leases and/or shares granted in the year to 31 December 2016. The RMB was also a party to the transfer of 4 head leases.

Site Rental

Lessees are required to pay site rental for the use of Crown Land on Mount Buller. During 2015–16, rent reviews for 20 sites were undertaken in accordance with the applicable lease provisions.

Service Charges

Service charges are levied on all leased sites within the Resort in accordance with Section 13 of the *Alpine Resorts (Management) Act 1997*. Service charges are reviewed annually in accordance with RMB policy.

Annual service charges were based solely on 2014 CIVs. The Service Charge rate for 2015–16 was 0.7615% of the 2014 CIV compared to a rate of 0.86933% of the 2004 CIV in 2014–15.

In accordance with standard practice, adjustments to service charges levied on some sites were initiated to reflect reassessments associated with supplementary valuations undertaken on new developments or properties which had been subject to substantial alterations.

Land Release

The aim of the RMB's land release activities is to encourage the provision of quality developments on new sites in areas identified as being suited for development. One site was released via a negotiated Agreement to Lease during 2015–16 involving the surrender of two existing parcels in favour of a larger lot identified as site 2017.

Planning Permits and Private Investment

In 2015–16, a total of 16 new planning permit applications for development proposals with a declared estimated construction value of \$36.245 million were reviewed and processed by the Board compared to the 7 (with a total value of \$21.255 million) processed in the previous year.

The RMB has continued to engage appropriate consultants to assist in its deliberations on these matters.

In 2015–16, 6 planning permits were issued for proposed development projects and works with a declared estimated construction value of approximately \$27.8 million.

A Site Environmental Management Plan (SEMP) is required for all planning applications for site development on Mount Buller.

Each SEMP is reviewed as an important part of the planning process, aimed at minimising environmental impact during the construction phase and rehabilitation of sites post construction.

Projects with an estimated construction value of \$494,000 were completed in the year to 31 December 2016 in addition to numerous smaller projects such as recladding and painting that are exempt from planning requirements.

Compliance with building and maintenance provisions of the *Building Act 1993*

In accordance with the provisions Section 192 (1) of the *Building Act 1993*, the RMB carries out the administration and enforcement of Parts 3, 4, 5, 7 and 8 of the Building Act and Building Regulations on Mount Buller and Mount Stirling.

Health Services

The RMB continues to facilitate the provision of medical services to visitors, residents and employees on Mount Buller during the snow season. Churchill Drive Pty Ltd managed the Mount Buller Medical Centre again this year, with the support of doctors and staff from the Mansfield Medical Clinic.

This service provided a range of services for residents, staff and visitors of Mount Buller including health screening, monitoring and education, assessment of acute medical presentations, treatment of minor wounds, medical management, liaising with medical practitioners, counselling and referral.

Mount Buller continues to provide appropriate first aid services for specific events and activities held over the Summer period.

Provision of regulatory services pursuant to the *Public Health & Wellbeing Act 2008*, the *Food Act 1984* and similar public health related legislation normally administered by Local Government are carried out by the Mansfield Shire Council under contract with the RMB.



Our Environment

Protect and enhance biodiversity within our natural and modified environments, strive for healthy and resilient ecosystems and promote sustainable practices through:

- Managing the endemic alpine flora and fauna communities within the Resorts
- Managing pest plant and animal species to limit impacts on indigenous species
- Reducing the Resorts' environmental footprint by developing and promoting sustainable practices and programs
- Enhancing ecological awareness within the community

Performance Indicators – Corporate Plan Outputs

2015–2016 Performance Indicator			
KPI	Definition of Measure	Target	Achievement
Renewable Energy Consumption by Board	Renewable Energy (RE) as a proportion of total energy consumption by Board related activities per annum. Unit: %	Year 1 5% Year 2 10% Year 3 15%	Not achieved
Renewable Energy Consumption by Resort	Renewable Energy (RE) as a proportion of total energy consumption by Resort related activities per annum. Unit: %	RE to comprise at least 30% of resorts' total energy use by 2020 (see Note 1)	Information unable to be obtained
Solid Waste Disposed to Landfill	Annual Weight of solid waste disposed to landfill per visitor day: Unit: kg/visitor day	4% decrease p.a.	Not Achieved
Habitat Protection Programs	Habitat Protection Plans in Corporate Plan implemented	100%	Achieved

Notes

1. A review will be undertaken to determine whether this information can be collected. Achievement of this target will be substantially dependent on Federal funding supports.

The RMB aims to manage the unique alpine environments of Mount Buller and Mount Stirling in a sustainable manner, maintaining the balance and quality of alpine ecosystems. In 2015–16, many key environmental objectives were achieved.

Environmental Management Plan

The Environmental Management Plan describes specific environmental objectives for the Resorts. Environmental issues addressed within the Plan include sustainable management of geological and geomorphologic features, soil conservation, rivers and catchments, flora, fauna, fire, indigenous and post-settlement cultural heritage, waste, energy efficiency, air quality, visual and noise amenity, visitor capacity and community awareness and engagement. The Environmental Management Plan is reviewed and updated every 5 years.

Mountain Pygmy-possum Recovery Plan

The Mount Buller Alpine Resort is home to a population of Australia's iconic alpine possum – the endangered Mountain Pygmy-possum (*Burramys parvus*). Habitat degradation and fragmentation, predation and climate change threaten its existence across the Australian Alps. When serious declines in Pygmy-possum numbers were observed between 2001 and 2003, the RMB, in partnership with BSL and the then Department of Environment and Primary Industries (DEPI), developed a five-year Recovery Plan to protect the species and its habitat. The Recovery Plan is reviewed and updated to direct conservation actions every 5 years. It is a guide for the continued management of the species, learning from and building on previous plan's positive outcomes. Annual monitoring of the population continues with excellent

results for the 2015–16 year with the ongoing translocation projects and on-ground management of the population resulting in the highest numbers ever being recorded.

During 2015–16, approximately 1,000 plants of local genetic provenance (specifically chosen to provide food and cover) have been established in key habitat areas.

The RMB is represented on the Mountain Pygmy-possum State Recovery Team, and is committed to continuing proactive management of the species.

Broad-toothed Rat Management Plan Framework

Since the listing of the Broad-toothed Rat (*Mastacomys fuscus*) under the *Environment Protection and Biodiversity Conservation Act* in May 2016, Resort Management began developing a management plan framework for the species to improve conservation,

management, knowledge and awareness of this species within the Buller-Stirling Resorts. Existing environmental programs (for example the integrated pest animal control program) have been reviewed and modified where appropriate to better focus on known Broad-toothed rat habitats.

Native Flora and Fauna Management

The RMB is committed to the protection of all species of native plants and animals inhabiting the Resorts. Advice and tips on management of small native mammals are freely available and environmental staff continue to provide a small mammal catch and release service to lodges, clubs, apartments and hotels using Elliot traps, designed to prevent injury to animals. The use of snap traps and poison baits continues to be discouraged. During winter 2016, plastic catch and release traps were made available to public for purchase.

In 2015–16, the small mammal poster continued to be a popular tool to help visitors identify and appreciate native fauna within the Resorts. As in previous years, this

poster was distributed to lodge managers and many primary and secondary school children who visited the Resorts.

Threatened species monitoring continued, including the Mountain Pygmy-possum, Broad-toothed Rat, Alpine Stonefly (*Thermatoperla flaveola*), Alpine Bog-skink (*Pseudemoia cryodroma*) and the Alpine Marsh Marigold (*Psychrophila introloba*).

Sensitive area signage has been installed in key locations to increase staff and visitor awareness.

Pest Plant and Animal Control

A major environmental goal of the RMB is the control and elimination, where possible, of introduced or exotic plant and animal species. As in previous years, effort was concentrated on the most significant species within the Resorts, including Orange Hawkweed, Soft Rush, Blackberry, St John's Wort, Sycamores, Willows, feral cats, foxes and rabbits.

Pest Plants

The 2009 Weed Management Strategy formalised the process for prioritising and treating key weed species within the Resort. From October 2015 to June 2016, Orange Hawkweed was monitored and controlled weekly and there continues to be an established quarantine area to restrict movement through the area. Additional funding was obtained from the Department of Environment, Land, Water and Planning, to increase resources put towards surveillance of Orange Hawkweed within the Resorts. The improved collaboration of agencies in recent years has been extremely effective with only two plants identified and treated.

Waterway weed infestations, including Three-stamen Rush, Soft Rush and Musk Monkey-flower, continued to be targeted with good results.

Blackberries were sprayed on trails between Mount Buller and Mount Stirling, and Sycamores continued to be controlled in the upper reaches of the Delatite at Mirimbah. Small English Broom infestations were treated at Mount Stirling, Mount Buller Village and



Delatite Valley, and Pussy Willows continued to be removed from the Resorts. A four year partnership from 2015 to 2018 between Resort Management, the Goulburn Broken Catchment Management Authority and the Taungurung Clans Aboriginal Corporation aims to build capacity and maximise environmental outcomes across the Resorts and within the catchment.

Pest Animals

The RMB's year-round integrated pest animal control program involves various methods of management at different times of year. Ongoing fox baiting programs, intensive shooting and trapping sessions, remote camera placement, and spot lighting are control/monitoring activities which continue to produce good results. Foxes are no longer commonly seen within the Resort and feral cats (known predators of the Mountain Pygmy-possum) numbers are reduced annually. Rabbits continue to be targeted from spring to autumn.

Revegetation and Rehabilitation

As part of the ongoing revegetation and rehabilitation program, approximately 1000 native seedlings were established in priority areas during 2015–16. Plants were sourced from locally obtained seeds and cuttings via the Vic Alps Nursery, propagated over an eight-month period and returned for planting at the Resort during the summer months. This ensures the genetic provenance and integrity of native vegetation within the Resort is maintained.

Environmental staff continued to provide advice to developers and site holders regarding revegetation, and several locally indigenous native gardens are now established within the Resort.

The Mount Buller and Mount Stirling Native Vegetation Planting Guide (available for free from the RMB office and website) continues to assist residents and site holders keen to establish native gardens on their sites.

Education, Communication and Engagement

Environmental education, communication and engagement are critical to achieving RMB environmental objectives. During the year, environmental staff gave a number of presentations to primary, secondary and tertiary students.

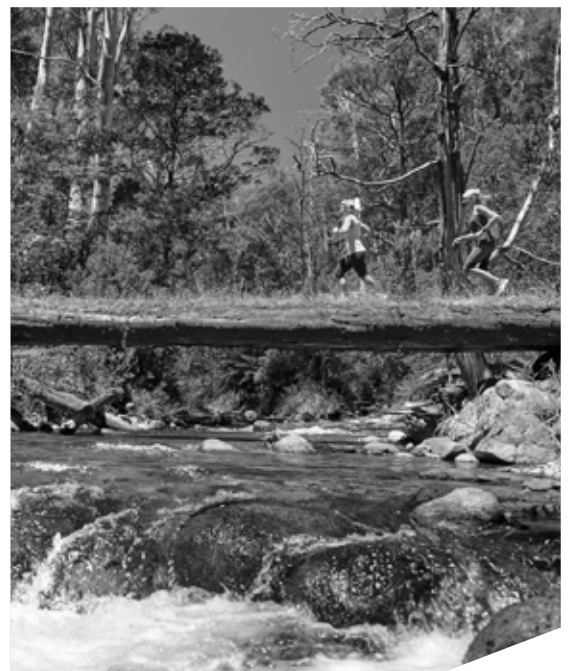
The latest environmental information continues to be available on the Mount Buller and Mount Stirling websites. During 2015–16, RMB staff continued their voluntary participation in the Community Stream Sampling Project in conjunction with Water Watch and participated in various sustainability focused training sessions held throughout the year.

Fire Management

The Mount Buller and Mount Stirling Fire and Emergency Management Plans provide guidelines for fire prevention, preparedness, response and recovery across the Mount Buller and Mount Stirling Alpine Resorts.

Land Stabilisation

The RMB continues to monitor and address any natural changes in the land. The RMB has received funding from the DELWP Alpine Risk Mitigation Program to address any identified geotechnical risks.



Energy and Resource Efficiency

The RMB is committed to improving its internal environmental performance focusing on environmentally responsible purchasing and resource and energy efficiency projects.

Following audits undertaken in previous years using infrared thermography and other methods, the RMB continues to make asset improvements to increase energy and resource efficiencies and decrease carbon emissions. Solar webcams installed at Telephone Box Junction and Bluff Spur Memorial Hut on Mount Stirling provide visitors with real time images of snow conditions. Work is continuing on the re-installation of a micro-hydroelectricity plant to power facilities at the visitor information centre (Telephone Box Junction), Mount Stirling. Solar powered lighting was installed at Chain Bay three to provide lighting for motorists fitting chains after dark.



Our Tourism

Provide high quality recreational activities, facilities and experiences that promote year round utilisation through:

- Facilitating and/or influencing the delivery of mountain products and facilities that satisfy customer expectations
- Enabling activities and events that appeal to various target markets
- Developing the tourism strengths of the Resorts
- Generating cross-resort tourism opportunities between Mount Stirling and Mount Buller
- Driving awareness of the Resorts' visitor offerings

Performance Indicators – Corporate Plan Outputs

2015–2016 Performance Indicator			
KPI	Definition of Measure	Target	Achievement
Visitation Numbers	Trend growth in visitor numbers	Increase of 2% p.a.	Achieved
Annual winter occupancy rates	Average annual winter occupancy rates higher than previous year.	Increase of 4% p.a. over prior year (20% over 5 years)	Achieved an increase of 3%
Visitor Household Income	Visitor household income profile approaches state profile	(see Note 1)	Achieved
Visitor Ethnicity Profile	Visitor ethnicity profile approaches state profile	(see Note 1)	Achieved
Bed availability	Beds available through central booking service	1. Maintain Centralised Booking Service as main call to action in resort collateral.	Achieved
		2. Increase over prior year (see Note 2)	NA

Notes

1. A review will be undertaken to determine whether this information can be collected.
2. This KPI can not be influenced by the ARMB.

Visitation

Mount Buller – Summer

Between summer 2014–15 and 2015–16, Resort visitation increased by 5%, as calculated by a counter that sits across the Mt Buller Rd at the entry of the Resort. Mountain bike trail usage continued to be strong despite a slight 3% decrease in trail counts year on year, which followed unprecedented growth in 2014–15 due to the launch of the Australian Alpine Epic trail. Mountain biking continues to be the main driver of visitation during summer aside from general sightseeing, with take-up by a wider audience increasing year-on-year.

Mount Buller – Winter

Mt Buller attracted 317,849 visitors to the resort, with visitor numbers finishing 19% above the ten-year average. 2016 was the third year in a row when visitation surpassed the 300,000 mark – showing a new trend for the resort despite

fairly average snow conditions overall. The continued increase in day visitation (and most notably snowplay visitors) contributed to record numbers that were not necessarily related to snow conditions.

Strong visitation results saw Mt Buller claim 43% of the Victorian alpine resorts' visitation market – 21% ahead of its closest competitor and a 4% increase on 2015's market share.

Mount Stirling – Summer

Mount Stirling experienced an 8% increase in visitation between summer 2014–15 and 2015–16, as calculated by a counter that sits across the Mt Stirling Rd at the entry of the Resort. This growth has ensured that Mount Stirling has maintained its unique position as the only Victorian Alpine Resort to attract higher levels of visitation in summer than in winter.

Mount Stirling – Winter

Mount Stirling attracted 6,041 visitors to the Resort in winter 2016, which was an increase of 17% on the ten-year average. These visitors generated 8,288 in visitor days, which was a 34% increase on the ten-year average and demonstrates Mt Stirling's growing appeal as an alpine touring and snow camping destination.

Visitor Services

During the 2016 season, Visitor Services were again delivered by a combination of RMB and Buller Ski Lift resources, who were responsible for meeting, greeting and assisting visitors in the car parks, toboggan slopes and general village area. The placement of these staff continue to improve liaison with the public and enhance the visitor experience, particularly in light of a considerable increase in day visitation.

In 2015–16 the RMB continued to contribute funds to the Mansfield Visitor Information Centre and High Country Reservations, which provides a year-round visitor information service for the Resorts and a centralised accommodation booking service for visitors on behalf of commercial operators and lodges at Mount Buller.

Sponsorship

The RMB acknowledges its sponsors, who are valuable partners in delivering a high quality mountain experience to visitors, including Bolle, K2, 7 Network and Subaru. The RMB in turn offers sponsorship to on-mountain event providers as well as sporting groups to encourage development and participation in recreational activities across all age groups.

Mountain biking market strength

Mt Buller continues to demonstrate a market-leading position in relation to mountain biking, with the resort experiencing strong visitation and brand recognition in the Australian mountain bike market despite continued investment and development at other destinations. Work continues in this space both from a resort level and through regional collaboration, working closely with Tourism North East on cooperative marketing campaigns and research projects to strengthen the regional offering.

Solid year-round events calendar

Mt Buller continues to deliver a strong event calendar, with events strategically developed to support core products and growth within those products, as well as attracting a broad range of visitors to the resort.

A number of events on the calendar continue to deliver strong visitation for Mt Buller outside of the winter period, with the level of attendance growing over weekends including Easter, the Labour Day Long Weekend (which incorporates Picnic in the Park food and wine festival and the GT Bike Buller Festival), as well as the Targa High Country motor racing event in early November, which has been extended for an additional five-year period to 2022.

Mount Buller Marketing

The RMB works to maximise resort use and visitation on a year-round basis, thereby ensuring that Mount Buller is a vibrant destination that is economically viable and sustainable. Key to the resort's success in this area is the growth of its tourism market – that is, the growth of Mount Buller's valuable winter tourism trade and promotion of its mature product, and the establishment of a profitable and attractive summer tourist offering.

To this effect, the RMB follows a three-year strategic marketing plan that aims to drive resort visitation and yield opportunities in both summer and winter.

2015–16 key achievements are as follows:

- Generating \$8 million in PR exposure and hosting the highest number of media familiarisations hosted in a season
- Significantly increased social media presence, with Facebook experiencing a 68% growth in engagement and 12% growth in followers, whilst Instagram saw a 39% increase in followers.
- Considerable growth in website traffic with a 25% increase in pageviews and 15% increase in pages per visit, demonstrating efficiencies in online information and planning for customers.
- The continued growth of key winter trade partnerships in interstate and international markets.
- High profile summer media exposure in outlets including Men's Health, SBS Cycling Central, The Age Traveller, Bike Exchange, Milk Bar Magazine and all major mountain biking publications.
- New transport service for mountain bike travellers with a dedicated regular service out of Melbourne
- 18% growth in the number of properties participating in the Bike Buller Recommends cycle-friendly accommodation program
- Strategic partnerships established with key trail running and mountain biking brands resulting in significant brand exposure.





Our Community

Build and facilitate a year round vibrant community and be a valued community member through:

- Developing and enhancing village and community centres where people can congregate
- Seeking feedback and measuring the community's response to our products, services and actions
- Acknowledging the cultural heritage of our region and celebrating our community's history
- Supporting new and local business to enable a year round operation
- Facilitating key essential and emergency services required by the community

Performance Indicators – Corporate Plan Outputs

2015–2016 Performance Indicator			
KPI	Definition of Measure	Target	Achievement
Indigenous Employment Opportunities	Indigenous employment opportunities created	100% job ads made available to Taungarung Clan	Achieved
Celebrating Resort Culture and Heritage	No. of events celebrating resort heritage	Year 1. Measure baseline Years 2 & 3 Increase on prior year	Achieved
Community Strength: Stakeholder Consultation Program	No. of Formal Stakeholder Consultation Programs	Increase on prior year	Achieved

Village Character

Mount Stirling development remains environmentally focused, with initiatives such as interpretive walks, new public toilets and shelters and improved facilities for horse riders. The Stirling café has increased its operation from 7 days a week in winter to including every weekend from December through to Easter during summer. The RMB continues to encourage and facilitate private and commercial development on Mount Buller by:

- Working with and providing guidance to developers for development, submission and processing of planning and building permit applications;
- Continuing to develop the Village infrastructure and overall appearance;
- Extensively marketing the Resorts to provide incentives for commercial facility and accommodation operators to remain open year-round; and
- Providing and assisting events and activities.

Implementation of the Mt Buller Resort Master Plan continues to encourage the development of a wide range of integrated resort facilities, infrastructure and accommodation. Such targeted development, in addition to improved community services, encourages the growth of year round activity in the resorts and better utilisation of resort assets.

Village Facilities

In 2015–16, the RMB undertook a number of initiatives to improve the amenity of the Mount Buller Village, including:

- Improvements to the water supply and sewerage treatment systems;
- Working closely with existing lessees to negotiate building refurbishments required as part of their lease renewals;
- Resurfacing and repairing pathways and pavements around the Village Centre; and

In 2015–16, the RMB undertook a number of initiatives to improve the amenities of Mount Stirling, including:

- Completion of renovations and extensions to the cafe, ski hire and patrol base at Telephone Box Junction (TBJ);
- Greater emphasis on long-term sustainable trail networks;
- Landscaping and amenity improvements at Howqua Gap;
- Intensive trail rehabilitation works in problem areas; and
- Refurbished gates to protect the environmental values of the mountain, and to assist with improved traffic management.

Services for the Community

Emergency Services

In 2015–16 the RMB enjoyed a constructive relationship with the Victoria Police and Ambulance Victoria who were in attendance daily during the snow season and special events. The RMB would also like to thank the CFA for its continued year round service at Mount Buller and its consistent presence fostering a better community.

Ski Patrol

The RMB continued to work closely with Ski Patrol on Mount Buller (a service provided by BSL) to minimise risk in the ski fields. Victoria Police and Ambulance Victoria also provided excellent service that contributed to a safe skiing environment.

Volunteer Ski Patrollers were actively involved in trail maintenance, cleaning, stocktaking medical supplies and assisting and responding where first aid was required. They spent time training and consolidating their emergency rescue skills with the Mount Buller Ski Patrol, including shadowing professional patrollers on the slopes.

On Mount Stirling, the Volunteer Ski Patrol, under the direction of RMB Ski Patrol staff, is an essential component of winter safety and operations. During the 2016 snow season, the Volunteer Ski Patrol contributed a total of 139 workdays compared to 102 in 2015. There were 25 accidents attended to on Mount Stirling this year.

Education

Mansfield Primary School continued to provide a syllabus based education model during winter via its Mt Buller Annexe for both internal and external students.

Mansfield Secondary College continued its syllabus and tutor based education model via its Mt Buller annexe and Mt Buller Education Pty Ltd continued its tutor based education model.

These were all operated via licence agreements out of the Alpine Central building.

Resort Worker Accommodation

During the 2016 snow season the RMB continued to provide Resort Worker Accommodation as a service to the Mount Buller Chamber of Commerce. This continues to be a successful initiative and enables small businesses to access affordable staff accommodation.



Buller Crew 2016

Buller Crew is a customer service program that supports the Visitor Experience Charter developed by the RMB and promotes a unified approach to customer service at the resort. Participation in the Buller Crew program supports the Mount Buller brand values by unifying all mountain staff through the “Buller Way”. The program requires that staff demonstrate the “Buller Way” core values at all times, whether at work or on personal time.

This winter, all sessions were well attended with approximately 1100 mountain staff participating in Buller Crew training, which consisted of a two hour customer service workshop. The ‘Employee of the Week’ Award was also used to reward staff demonstrating high level of customer service across the mountain.

Five Principles of Customer Service

The ‘Five Principles of Customer Service’ have been developed to remind all Mount Buller and Mount Stirling employees of the five simple steps involved in providing exceptional customer service and ultimately happy repeat visitors.

These principles are explained and reinforced through Buller Crew, RMB and Buller Ski Lift staff orientation and training programs.

Five Principles

1. Caring for People
2. Know the Mountain
3. Working Together
4. Pride in our Mountain
5. Have Fun

Emergency Management

The Mount Buller and Mount Stirling Alpine Resort Emergency Management Committee is made up of approximately 20 representatives from RMB, BSL, Victoria Police, CFA, State Emergency Service (SES), Department of Health and Human Services (DHHS), DELWP, Ambulance Victoria and Buller Gas. There were two Emergency Management Planning Committee meetings held for the 2015–16 period.



Our People

Be an employer of choice that values and is valued by all employees through:

- Investing in the safety, well-being and development of our people
- Embedding a culture where productivity, adaptability and progress is embraced, responsibility accepted and accountability delivered
- Providing an environment that will attract and retain high quality staff
- Engage with our people to promote, understand and improve organisational performance

Performance Indicators – Corporate Plan Outputs

2015–2016 Performance Indicator			
KPI	Definition of Measure	Target	Achievement
Regional jobs attributable to resorts	Regional jobs attributable to resorts	2% p.a. (see Note 1)	NA
Worker Skills and Capacity: Training Programs	Worker Skills and Capacity: Training Programs	100%	100%
Lost Time Injuries	Lost Time Injuries	0	3

Notes

1. Results are published every 4 years in the ARCC economic significance survey prepared by National Institute of Economic and Industry Research (NIEIR).

Core Values

The RMB has adopted the following core values:

Communication – maintain an open, clear and concise two way flow of relevant information both internally within the RMB and externally;

Leadership – provide positive guidance and motivation and act in a way that upholds the RMB core values;

Innovation – drive continuous improvement and be open and responsive to change;

Customer Service – strive to exceed customers' expectations by understanding and responding to their needs;

Integrity – be honest, open and ethical in dealings with each other, customers and stakeholders; and

Teamwork – work together to achieve desired goals in a supportive and co-operative environment.

Public Sector Values

The RMB actively promotes and encourages adherence to public sector values and to the Code of Conduct for Victorian Public Sector Employees.

The RMB's Human Resource policies incorporate the conduct principles set out in Section 7 of the *Public Administration Act 2004*. Values and associated behaviours are embedded in all position descriptions and the RMB's performance appraisal process incorporates a review of how individuals demonstrate these values. Compliance with these policies is a condition of employment with the RMB.

Public Sector Employment Principles

The RMB has adopted the Public Sector Employment Principles as per Section 8 of the *Public Administration Act 2004*. These principles are embedded in the internal policies and procedures of the RMB in the recruitment process, performance management and in the resolution of any disputes.

Merit and equity

The RMB complies with the *Public Administration Act 2004* by maintaining a workplace free of discrimination in line with the Victorian Government's merit and equity principles. The RMB continuously reviews its human resource policies and processes in areas such as equal opportunity

and recruitment. Employees are selected/promoted for positions on the basis of relative ability, knowledge, experience and skill, in fair and open competition measured against the requirements of the position involved. All employees are treated in a fair and equitable manner without regard to race, religion, political opinions, sexual preference, age, physical or mental disability, family responsibility, pregnancy, national extraction or social origin.

Occupational Health and Safety

The RMB is responsible for providing a safe working and recreational environment, free of accidents and injuries, for all RMB employees, contractors and members of the public. The RMB is committed to ensuring that all people affected by its activities are protected from loss, risks to safety, health and wellbeing. RMB staff members are fundamental to the principles of risk management and OH&S, and these responsibilities are imbedded in all position descriptions and are assessed as part of the performance appraisal process. The RMB's staff-based OH&S Committee formally met four times during the year.

OH&S Performance Indicators	2014–15	2015–16	Target
OH&S committee meetings (formal)	4	4	4
Workplace inspections (formal)	2	3	2
Incident Statistics			
Workdays lost	54	68	0
Injury incidents	10	9	0
No. of lost time injuries	3	2	0
Incident Type			
Manual handling	3	5	0
Slip, trip or fall	4	0	0
Stress	0	2	0
Laceration	0	0	0
Other	2	2	0

2016 Staff Awards

2016 STAR Employee of the Year as nominated by their peers – **Leanne Drake**

2016 STAR Team of the Year as nominated by their peers – **Environment/Stirling**

2016 CEO's Outstanding Team of the Year – **Marketing Sales & Events**

2016 CEO's Outstanding Employee of the Year – **Jimmy Hughes**

Workforce Data (At 31 October, 2016)

2015–16	2014–15 (comparison)
Number of permanent employees 34 (31.8 EFT) (total) Of these 15 were female and 19 were male.	Number of permanent employees 33 (32.29 EFT) (total) Of these 14 were female and 19 were male.
Seasonal staff 43 (27 male and 16 female) (total)	Seasonal staff 40 (total)
Tasks performed by seasonal staff included visitor services, resort entry, snow clearing, traffic control, car parking, toboggan slope and sports hall supervision, Mount Stirling Ski Patrol and general Resort work.	

Staff Training and Development

The RMB supports training and development to ensure that all full-time, part-time and casual employees have the necessary skills and qualifications to fulfil their work requirements.

All RMB employees must complete a basic level of training, including Buller Crew (customer service) training and risk management training. Some positions require specific qualifications or training, including:

- Traffic Management Accreditation
- Alpine Ecology Course
- Authorised Officer Training (including client interaction and defensive tactics)
- Chemical Handling
- Ski Patrol

- Snowmobile Licensing
- Alpine Awareness Training
- Driving in Adverse Weather Conditions
- OH&S Compliance Training

The RMB also encourages further or continuing study or training linked to business needs.

During 2015–16 training courses and qualifications attained by staff included:

- First Aid
- Emergency Management
- Certified Practising Accountant
- Bachelor of Business (Accounting)
- Bachelor of Business (Marketing)
- Certificate IV Graphic Design
- Perform CPR and Apply First Aid
- Manual Handling

- Maintaining Chainsaws and Trim and Cross Cut Felled Trees
- Enter and Work in Confined Spaces
- Working at Heights
- Telehandler Accreditation

Industrial Relations

RMB staff (with the exception of Senior Appointments on GSERP contracts) are employed under the Mount Buller and Mount Stirling Alpine Resort Management Board Enterprise Agreement 2013–15; and superseded in 2015–2016 by the Mount Buller and Mount Stirling Alpine Resort Management Board Enterprise Agreement 2015–19.



Our Corporate Governance

Maintain the integrity and value of our organisation through sound governance and financial management, through:

- Building strong and positive relationships with key stakeholders
- Planning for our future through robust strategic, business and resort master planning
- Driving fiscal responsibility throughout our business and finding ways to become more efficient
- Identifying and mitigating risks impacting the Resorts
- Meeting our regulatory requirements

Performance Indicators – Corporate Plan Outputs

2015–2016 Performance Indicator

KPI	Definition of Measure	Target	Achievement
Gross State Product (GSP)	Gross State Product (GSP) attributable to Resorts	Trend Increase to be at least 2% pa (See Note 1)	Data not yet available
Alpine Public Investment Program	Five year public investment program funded	Years 2 & 3 Program Funded	Funding for approved capital works is funded
Net Cash Flow	Net operating cash flow plus net investing cash flow. Source: From Cash Flow Statement.	\$964,517	Not Achieved
Net Accrual Surplus	Net profit before allocation to reserves as reported in the Statement of Financial Performance.	\$1,005,619	Not Achieved
Snow Drought Fund	Maintain a Snow Drought Fund as required by the Minister's announcement of the Alpine Resorts Reform Package (2005)	\$600,000	Achieved
Capital Improvement Fund	Maintain Capital Investment Fund that supports the needs identified by the Resort Master Plan and the RMB CAPEX priority list	\$1,000,000	Achieved
Real Unit Costs	Reduction in variable unit costs by 1%	Trend 1% reduction p.a.	Not Achieved
Community Service Obligations (CSO's)	CSO's identified, agreed with Government & funded	Years 2 & 3 Fund CSO's	Achieved

Stakeholder Consultation

The RMB acknowledges an extensive range of stakeholders, which encompasses the people of Victoria, and individuals and organisations with a financial, legal or social interest in Mount Buller or Mount Stirling.

RMB stakeholders include:

- State Government of Victoria, in particular the Minister for Environment, Climate Change and Water, the Minister for Finance and the Minister for Planning;
- The Taungurung people, traditional custodians of the land;
- Mansfield Shire Council;
- Neighbouring land management authorities;
- Alpine Resorts Coordinating Council (ARCC) and associated entities;
- Other Victorian alpine resorts;
- RMB staff, committees and associated entities;
- Mount Buller Chamber of Commerce;
- Mount Buller Ratepayers Association;
- Buller Ski Lifts Pty Ltd (BSL);
- Emergency services, including Ski Patrol;
- Industry groups;
- Environmental interest groups;
- Recreational groups;
- Educational authorities and organisations;
- Land and property developers;
- Stirling Experience;
- Business and commercial operators;
- Tourism operators;
- Ski clubs;
- Apartment owners;
- Contractors;
- Residents;
- Visitors and guests; and
- District communities.

The Buller Marketing Coordination Group

The Buller Marketing Coordination Group (BMCG) includes representatives from BSL, High Country Reservations, Mount Buller Chamber of Commerce, Mount Buller Ratepayers Association and the RMB. The BMCG works to promote the mountain in a co-operative and consistent approach, with a single, clear Mount Buller brand and marketing campaign. The BMCG objectives include:

- Providing an opportunity for input and advice from stakeholders in respect to marketing activity;
- Communicating, monitoring and evaluating the RMB Three-Year Marketing and Business Development Strategy; and
- Creating sub-committees to provide direction and recommendations as required.

Currently, the BMCG incorporates two sub-committees – the Sales and Promotions Committee and Winter Brochure Committee.

Local and Regional Authorities

The RMB continues to consult with a range of industry experts and authorities in the development of new policies, procedures and initiatives. In particular, neighbouring Crown Land managers (Parks Victoria, DELWP and Mansfield Shire Council) are consulted to ensure best practice land management. The RMB also consults with other Victorian alpine resorts through the ARCC and an informal network of chief executives, finance officers and environmental officers.

Indigenous People

The RMB abides by Aboriginal Affairs Victoria reporting requirements where any specific indigenous initiatives or projects will be reported in accordance with the necessary guidelines. No special initiatives were needed by the RMB to meet these obligations.

Summary of Operational and Budget Objectives

	2014–15 Actual \$'000	2015–16 Actual \$'000	Variance \$'000
Revenue	14,123	15,589	1,466
Expenditure	12,765	15,241	2,476
Capital Works (including plant and equipment)	2,631	2,328	(303)

Consultancies over \$10,000

(\$ '000)

Consultant	Purpose of consultancy	Total approved project fee ex GST	Expenditure 2015–16 ex GST	Future committed expenditure Ex GST
Biosis Research	Environmental Consultancy & Analysis	\$106	\$106	Nil
Entura Hydro Tasmania	Reservoir Volume Investigation	18	18	
GHD Pty Ltd	Sustainable Water Security Consultancy	\$64	\$64	Nil
MC Global	Asset Management System Consultancy	\$54	\$54	Nil
Meinhardt	Sustainable Water Security Consultancy	\$54	\$54	Nil
VECCI	Collective Agreement Consultancy	\$15	\$15	Nil

Consultancies under \$10,000

There were 9 consultancies that were less than \$10,000 totalling \$38,880 during 2015–16.

Consultancies over \$10,000

There were 6 consultants engaged where total remuneration was greater than \$10,000. Refer to the table above for details.

Strategic and Corporate Planning

As required under Section 53 of the Act, the RMB develops and lodges its Corporate Plan, including a Statement of Corporate Intent and a Business Plan. As required under Section 56F of the Act, the RMB reviews its Strategic Management Plan when required.

The current plans use the key strategic directions of the Alpine Resorts Strategic Plan 2012 using RMB focus areas and objectives that were developed by the Board and the Management Team during 2011 and were revised and readopted in 2015.

Resort Master Plan

The Mount Buller Resort Master Plan continues to guide the Resort's development over the next 10–15 years as well as providing confidence for individual stakeholders to commit investment

dollars to the mountain. Following the completion of individual projects, the next stage of the Master Plan is the development and progression of the delivery strategy for the Horsehill and Valley North Precinct. All projects in the master plan are required to undertake the required feasibility studies as well as comply with relevant State and Commonwealth legislative policy requirements.

Significant changes in financial position during the year

There are no significant matters which changed the RMB's financial position during the reporting period.

Attestation on compliance with the Australian/New Zealand Risk Management Standard

I, Jennifer Hutchison, certify that the Mount Buller and Mount Stirling Alpine Resort Management Board has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The Mount Buller and Mount Stirling Alpine Resort Management Board's Risk, Audit and Finance Committee verifies this.



Jennifer Hutchison
Chairman

in full. The Report's findings and recommendations has no impact on the 2015-16 Financial Statements or operations of the RMB during that period.

The Chairman of the Mt Buller and Mt Stirling Resort Management Board, Jennifer Hutchison, has since tendered her resignation. Thus, the financial statements are authorised by Acting Chair, Jacqueline Jennings.

Other than those disclosed above no other matter or circumstances have arisen since the end of the reporting period which may significantly affect the operations of the RMB, the result of those operations, and the state of affairs of the RMB in future periods.

Government Advertising Expenditure

Government Policy requires disclosure of all Government Advertising Expenditure with a total media buy of \$150,000 or greater (exclusive of GST). No Government Advertising Expenditure was incurred by the ARMB during the reporting period.

Risk Management

In June 2012 the Victorian Managed Insurance Authority (VMIA) conducted a Risk Framework Quality Review. The review was based on a seven element maturity model informed by the Australian Standard for Risk Management AS/NZS ISO 31000:2009. The VMIA's risk management framework rating acknowledged the RMB as having developed some good risk management practices and arrangements, and that it is reviewing and improving its risk framework over time.

Major changes or factors affecting performance

The increase in gate entry revenue is a result of continued strong visitation in the 2016 snow season.

The RMB received \$219,000 in Grant Funding during 2016 compared to \$148,455 in 2015. During 2016 the RMB received \$293,000 for the right to develop Crown land compared to \$931,500 in 2015.

The change in operating expenditure is primarily due to:

- Increased costs of visitor related services due to continued strong visitation in 2016
- An increase in salaries and wages, including the impact of the Enterprise Agreement;
- Increased costs in relation to contracts and insurance.

Government Funding

The RMB acknowledges investment in Mount Buller and Mount Stirling by the Victorian Government in 2015–16 as follows:

- \$30,000 – Department of Environment, Land, Water and Planning (DELWP) funding towards the Alpine Risk Mitigation Program Actual
- \$170,000 – Department of Economic Development, Jobs, Transport & Resources funding towards Telephone Box Junction Hub Development
- \$14,000 – North East Waste & Resource Recovery Group for funding of Public Place Recycling Infrastructure
- \$5,000 – Sustainability Victoria funding for Litter Innovation

Major Contracts

There were no major contracts greater than \$10 million entered into during the reporting period.

Subsequent Events

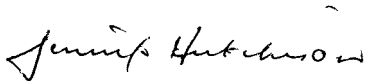
On 20 March 2017 the Victorian Ombudsman released a report detailing an investigation into allegations of improper conduct by officers at the Mt Buller and Mt Stirling Resort Management Board. The report contained a number of recommendations that the Board has committed to ensuring will be adopted and implemented

Gifts, Benefits and Hospitality Framework Attestation

I, Jennifer Hutchison, Chairman of Mount Buller Mount Stirling Alpine Resort

Management Board certify that:

- my public entity has gifts, benefits and hospitality policies and procedures in place;
- these policies and procedures are consistent with the minimum requirements and accountabilities outlined in the Gifts, Benefits and Hospitality Policy Framework for the Victorian Public Sector – Revised April 2012 issued by the Public Sector Standards Commissioner; and
- these policies and procedures are updated, promulgated and provided to the audit committee for review at least once a year.



Jennifer Hutchison

Chairman

Date: 31 December 2016

Risk management principles apply to all areas of RMB operations and include health and safety, property, environment, finance and internal controls. The RMB's organisational culture is built around providing a safe and rewarding experience for guests, residents and employees visiting, living or working in the Resorts.

The RMB has a Risk Management Policy and develops risk management systems to assist staff to understand their responsibilities and create a culture of safety. The RMB maintains a risk register that identifies risks to the organisation and those associated with the use of Crown Land. The register, developed in association with the VMIA, features RMB controls and mitigation strategies.

The register is reviewed on a regular basis to ensure proper consideration of newly identified and existing risks.

National Competition Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses 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.

Implementation of the Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the Victorian *Industry Participation Policy Act 2003* which requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPP). Departments and public bodies are required to apply VIPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. The RMB has not commenced any tenders or entered into any contracts worth \$1 million or more during the year ended 31 December 2016.

Freedom of Information

The RMB is considered to be a 'Government Agency' under the terms of the *Freedom of Information Act 1982*. Accordingly, it is required to comply with prescribed procedures under which members of the public may gain access to information held by agencies. A decision to release information is made by the Authorised Officer.

The RMB has determined that the Authorised Officer for Freedom of Information requests during the 2015–16 reporting period is the Chief Financial Officer. Requests for information under the *Freedom of Information Act 1982* are subject to a \$27.20 fee, and should be addressed to:

Freedom of Information Officer

Mount Buller & Mount Stirling
Alpine Resort Management Board
Post Office Mount Buller, VIC 3723

In 2015–16, there was one request for the RMB to provide information under the *Freedom of Information Act 1982*.

Availability of other information

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

- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- Details of changes in prices, fees, charges, rates and levies;
- Details of any major external reviews carried out;
- Details of major research and development activities;
- Details of official overseas travel undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities; and
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.

Information and Communications Systems

FRD 22G requires Mt Buller and Mt Stirling ARMB to disclose its total Information and Communications Technology (ICT) expenditure for the reporting period in its report of operations.

Compliance with DataVic access policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the RMB intends that data tables that it may produce in the future will be available at www.data.vic.gov.au in machine readable format.

Compliance with the Protected Disclosures Act 2012

The *Protected Disclosure Act 2012* (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a ‘protected disclosure’?

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.

Mt Buller Mt Stirling Resort Management is a “public body” for the purposes of the Act.

What is ‘improper or corrupt conduct’?

- Improper or corrupt conduct involves substantial:
- mismanagement of public resources; or
- risk to public health or safety or the environment; or
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a ‘Protected Disclosure’?

You can make a protected disclosure about Mt Buller Mt Stirling Resort Management or its board members, officers or employees by contacting IBAC on the contact details provided below.

Please note that Mt Buller Mt Stirling Resort Management is not able to receive protected disclosures.

How can I access Mt Buller Mt Stirling Resort Management’s procedures for the protection of persons from detrimental action?

Mt Buller Mt Stirling Resort Management has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about Mt Buller Mt Stirling Resort Management or its employees. You can access Mt Buller Mt Stirling Resort Management’s procedures on its website at: www.mtbuller.com.au

Contacts

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower,
459 Collins Street,
Melbourne Victoria 3000.

Mail: IBAC,
GPO Box 24234,
Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

Email: see the website above for the secure email disclosure process, which also provides for anonymous disclosures.

Declaration by the Mount Buller and Mount Stirling Alpine Resort Management Board Chairperson of the Board and Accountable Officer's and Chief Executive Officer and Finance Manager

The attached financial statements for the Mount Buller and Mount Stirling Alpine Resort Management Board have been prepared in accordance with Standing Directions 4.2 of 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 period ended 31 December 2016 and financial position of the Mount Buller and Mount Stirling Alpine Resort Management Board at 31 December 2016.

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

We authorise the attached financial statements for issue on 24 April 2017.



Jacqueline Jennings
Acting Chairperson



John Huber
Chief Executive Officer



Jo Gibney
Finance Manager

24 April 2017.



Comprehensive Operating Statement For the financial period ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Continuing Operations			
Income from transactions			
Gate entry	1(e)	5,044	4,648
Site rental	1(e)	4,518	3,716
Service charges	1(e)	4,362	3,636
Service charge – infrastructure fee	1(e)	175	99
Marketing revenue		294	229
Taxi transport commission		116	118
Government grants	1(e)	219	148
Sale of rights to lease and develop Crown land	1(e)	293	932
Interest income	1(e)	95	79
Asset Received at Fair Value	1(e)	–	90
Other income	1(e)	473	428
Total income from transactions		15,589	14,123
Expenses from transactions			
Village operations	1(f)	4,368	3,654
Visitor services	1(f)	2,533	2,274
Administration and corporate services	1(f)	3,635	2,925
Land management and environmental services	1(f)	1,738	1,354
Health services	1(f)	257	249
Marketing	1(f)	2,025	1,713
ARCC Contributions	1(f)	601	505
Interest expense	1(f),2(b)	84	91
Total expenses from transactions		15,241	12,765
Net result from transactions (net operating balance)		348	1,358
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	3	23	(19)
Total other economic flows included in net result		23	(19)
Net result		371	1,339
Other economic flows – other comprehensive income Items that will be reclassified to net result			
Changes in physical asset revaluation surplus	19	–	–
Total other economic flows – other comprehensive income		–	–
Comprehensive result		371	1,339

The above Comprehensive Operating Statement should be read in conjunction with the notes to the financial statements.



Balance Sheet As at 31 December 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Financial Assets			
Cash and deposits	18(a)	4,406	4,493
Receivables	4	1,522	1,178
Total Financial Assets		5,928	5,671
Non-Financial Assets			
Inventories	5	26	34
Non-financial physical property classified as held for sale	8	–	90
Other non-financial assets	7	418	409
Infrastructure, property, plant and equipment	6	165,752	165,842
Total Non-Financial Assets		166,196	166,375
Total Assets		172,124	172,046
Liabilities			
Payables	9	923	992
Borrowings	10	1,225	1,568
Employee Benefit Provisions	11	714	698
Other liabilities	13	209	176
Total Liabilities		3,071	3,434
Net Assets		169,053	168,612
Equity			
Contribution by Owner		137,439	137,369
Accumulated Surplus		9,021	8,650
Physical Asset revaluation surplus	19	22,593	22,593
Net Worth		169,053	168,612
Commitments for expenditure	15		
Contingent assets and contingent liabilities	16		

The above Balance Sheet should be read in conjunction with the notes to the financial statements.



Statement of Changes in Equity For the financial period ended 31 December 2016

	Physical Asset Revaluation Surplus	Accumulated Surplus	Contributions by Owners	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 November 2014	22,593	7,311	137,290	167,194
Net result for the year	–	1,339	–	1,339
Other comprehensive income for the year	–	–	–	–
Transactions with owner in the capacity as owner	–	–	79	79
Balance at 31 October 2015	22,593	8,650	137,369	168,612
Net result for the period	–	371	–	371
Other comprehensive income for the period	–	–	–	–
Transactions with owner in the capacity as owner	–	–	70	70
Balance at 31 December 2016	22,593	9,021	137,439	169,053

The above Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.



Cash Flow Statement For the financial period ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Cash Flows from Operating Activities			
Receipts			
Receipts from customers		15,855	14,066
Receipts from government		301	218
Interest received		95	78
Goods & Services Tax received from the ATO		–	43
Total receipts		16,251	14,405
Payments			
Payments to suppliers and employees		(13,488)	(11,899)
Interest and other costs of finance paid		(84)	(91)
Goods and Services Tax paid to the ATO		(80)	–
Total payments		(13,652)	(11,990)
Net Cash Flow from/(used in) operating activities	18(b)	2,599	2,415
Cash flows from Investing Activities			
Payments for infrastructure, property, plant and equipment		(2,712)	(2,815)
Proceeds from sale of property, plant and equipment		130	64
Proceeds from sale of Asset Held for Sale		90	–
Net cash from/(used in) investing activities		(2,492)	(2,751)
Cash Flows from Financing Activities			
Repayment of borrowings		(343)	(294)
Contributions by State Government		149	–
Net cash from/(used in) financing activities		(194)	(294)
Net increase/(decrease) in cash and cash equivalents		(87)	(630)
Cash and cash equivalents at the beginning of the financial period		4,493	5,123
Cash and deposits at the end of the financial period	18(a)	4,406	4,493

The above Cash Flow Statement should be read in conjunction with the notes to the financial statements.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies

The Mount Buller and Mount Stirling Alpine Resort Management Board (RMB) is constituted under the *Alpine Resorts (Management) Act 1997* and has its principal place of business located at Mt Buller, Victoria, Australia.

These annual financial statements represent the audited general purpose financial statements for the Mount Buller and Mount Stirling Alpine Resort Management Board for the period ending 31 December 2016. The purpose of the report is to provide users with information about the RMB's stewardship of resources entrusted to it.

The reporting period covered in the financial statements is 1 November 2015 to 31 December 2016. There has been a ministerial directive from the Minister for Finance & Multicultural Affairs, Robin Scott MP, to change the financial year from 31 October 2016 to 31 December 2016. Therefore, the current reporting period is now 14 months against a 12 month comparative. It should also be noted that next year's reporting will be a 14 month comparative to a 12 month financial year.

(a) Statement of compliance

The 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 the 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.

These annual financial statements were authorised for issue by the Acting Chairman of the Mount Buller and Mount Stirling Alpine Resort Management Board on 24 April 2017.

(b) Basis of accounting preparation and measurement

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

Judgements, estimates and assumptions are required to be made about the carrying value of assets and liabilities, income and expenses that are not readily apparent from other sources.

The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings, infrastructure, plant & equipment, (refer to Note 1(j));
- The useful lives of assets for depreciation purposes;
- Actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates, (refer to Note 1(k)).

These financial statements are presented in Australian dollars and prepared in accordance with the historical cost convention except for:

- non financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

Consistent with AASB 13 *Fair Value Measurement*, the RMB determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non recurring fair value measurements such as non financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

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.

For the purpose of fair value disclosures, the RMB has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

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

The RMB, in conjunction with VGV, monitors changes in the fair value of each asset through relevant data sources to determine whether revaluation is required.

The accounting policies set out below have been applied in preparing the financial statements for the 14 month period ended 31 December 2016 and the comparative information presented for the 12 month period ended 31 October 2015.

Not-for-profit status

Under the Australian Equivalent of International Financial Reporting Standards (AIFRS), there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The RMB does not have profit generation as a prime objective. Consequently where appropriate the RMB has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

(c) Reporting entity

The financial statements cover the Mount Buller and Mount Stirling Alpine Resort Management Board (RMB) as an individual reporting entity.

The RMB is an entity established under the *Alpine Resorts (Management) Act 1997*.

Its principal address is:

Mount Buller and Mount Stirling
Alpine Resort Management Board
Alpine Central
Summit Road
Mount Buller VIC 3723

The RMB is a public body acting on behalf of the Crown, and reporting to the Department of Environment, Land, Water and Planning.

(d) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'.

The sum of the former two, represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market remeasurements. They include:

- gains and losses from disposals of non financial assets;
- revaluations and impairments of non financial physical and intangible assets;
- remeasurement arising from defined benefit superannuation plans;
- fair value changes of financial instruments; and
- depletion of natural assets (non produced) from their use or removal.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled more than 12 months after the reporting period) are disclosed in the notes, where relevant.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of cash flows*.

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

Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

Rounding of amounts

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

(e) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the RMB and the income can be reliably measured at Fair Value.

Service charges

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

Site rental

Site rental income from leased Crown land is recognised annually in the comprehensive operating statement in accordance with the terms and conditions of individual leases.

Gate entry

Gate entry revenue (including from the sale of season access passes) is recognised when received.

Land release

Revenue from the sale of rights to lease and develop crown land is recognised on the execution of a contract of sale, following approval by the Minister of Environment, Climate Change and Water. Any deposits received prior to approval from the Minister and execution of contract of sale is recorded as unearned revenue.

Interest

Interest revenue is recognised upon gaining the control of the right to receive the interest payment.

Grants

Income from grants (other than contribution by owners) is recognised when the RMB obtains control over the contribution. However grants and contributions received from the Victorian State Government which were originally appropriated by Parliament as additions to net assets or where the Minister for Finance and the Minister for Energy, Environment and Climate

Change have indicated are in the nature of owners' contributions are accounted for as equity (contributed capital).

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

Other Income

Other income includes miscellaneous commissions, consent fees, licence fees and miscellaneous rental.

(f) Expenses from transactions

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Refer to Note 1(k) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

The Department of Treasury and Finance (DTF) in their Annual Financial Statements disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

Performance payments

Performance payments for the RMB's Executive Officers and staff are based on a percentage of the annual salary package provided under their employment contracts. Unpaid, but committed, employee performance payments are recognised as a liability in the financial statements. Performance payments are assessed and paid annually where applicable. Refer to Note 11.

Depreciation

All infrastructure assets, buildings, and plant and equipment (excluding assets held for sale) that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate.

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

The following useful lives are used in the calculation of depreciation consistent with the prior year:

Buildings
15 to 84 years

Roads and car parks infrastructure assets
50 to 80 years

Infrastructure assets
2 to 100 years

Other plant and equipment
3 to 20 years

Interest expense

Interest expense represents costs incurred in connection with borrowings. Interest expense is recognised in the period in which it is incurred.

(g) Other economic flows included in the net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/(losses) of non-financial physical assets

Refer to Note 1(j) *Revaluations of non-financial physical assets*.

Net gain/(loss) on disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of non-financial assets

Items of infrastructure, property, plant and equipment are assessed annually for indicators

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

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Refer to Note 1(j) in relation to the recognition and measurement of non-financial assets.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

- transfer of amounts from the reserves and/or accumulated surplus to net result due to disposal or derecognition or reclassification; and
- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

(h) Financial instruments

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 RMB's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer on behalf of the RMB are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1 (i)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the RMB's contractual payables, deposits held and advances received, and interest bearing arrangements other than those designated at fair value through profit or loss.

Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available for sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

(i) Financial assets

Cash and deposits

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 and with an insignificant risk of changes in value.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

Receivables

Receivables consist of:

- statutory receivables, such as amounts owing from the Victorian Government and GST input tax credits recoverable; and
- contractual receivables, such as debtors in relation to goods and services, loans to third parties and accrued investment income.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(h) Financial Instruments for recognition and measurement). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

For the measurement principle of receivables, refer to Note 1(h).

Investments and other financial assets

Investments are classified in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held to maturity; and
- available for sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any dividend or interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

Impairment of financial assets

At the end of each reporting period, the RMB 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.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows' in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

(j) Non-financial assets

Inventories

Inventories include stores and materials used in the operation of the waste water treatment plant, snow clearing operation and minor

amounts of merchandise material. These items are stated at the lower of cost and current replacement cost.

Non financial physical assets classified as held for sale, including disposal group assets

Non financial physical assets (including disposal group assets) are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the asset's sale is expected to be completed in 12 months from the date of classification.

These non financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs of disposal, and are not subject to depreciation or amortisation.

Infrastructure, Property, plant and equipment

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 received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

The initial cost for non financial physical assets under a finance lease (refer to Note 1(l)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

Non-financial physical assets such as Crown land and heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

Road network assets and other infrastructure assets are measured at fair value, determined by reference to the asset's depreciated replacement cost.

Land under declared roads acquired prior to 1 July 2008 is measured at fair value. Land under declared roads acquired on or after 1 July 2008 is measured initially at cost of acquisition and subsequently at fair value. The fair value methodology applied by the Valuer-General Victoria is based on discounted site values for relevant municipal areas applied to land area under the arterial road network, including related reservations.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

The cost of 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.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(g) *Impairment of non-financial assets*.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 6 Infrastructure, property, plant and equipment.

Restrictive nature of cultural and heritage assets, Crown land and infrastructure assets

During the reporting period, the RMB also holds cultural assets, heritage assets, and other non-financial physical assets (including Crown land and infrastructure assets) that the RMB intends to preserve because of their unique historical, cultural or environmental attributes.

In general, the fair value of those assets is measured at the depreciated replacement cost. However, the cost of some heritage and iconic assets may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials. In addition, as there are limitations and restrictions imposed on those assets use and/or disposal, they may impact the fair value of those assets, and should be taken into account when the fair value is determined.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis in accordance with

the Financial Reporting Directions (FRD's) 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 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. 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 physical 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 & equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are 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 & 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 physical asset revaluation surplus.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

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

Other non-financial assets

Other non-financial assets include:

Prepayments

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

Intangible assets

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the RMB.

(k) Liabilities

Payables

Payables consist of:

- contractual payables, such as accounts payable, and unearned income including deferred income. Accounts payable represent liabilities for goods and services provided to the RMB prior to the end of the financial year that are unpaid, and arise when the RMB becomes obliged to make future payments in respect of the purchase of those goods and services; and

- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. 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. Refer to note 17.

Borrowings

All interest bearing liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs (refer also to Note 1(l) Leases). The measurement basis subsequent to initial recognition is amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The above classification depends on the nature and purpose of the interest bearing liabilities. The RMB determines the classification of its interest bearing liabilities at initial recognition.

Provisions

Provisions are recognised when the RMB has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash

flows, using the discount rate that reflects the time value of money and risks specific to the provision.

Employee Benefit Provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the RMB does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- nominal value if the RMB expects to wholly settle within 12 months; or
- present value if the RMB does not expect to wholly settle within 12 months.

(ii) Long service leave

Liability for long service leave (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 RMB 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.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

The components of this current LSL liability are measured at:

- nominal value—component that the RMB expects to wholly settle within 12 months; and
- present value—component that the RMB does not expect to 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' (refer to Note 1(g)).

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The RMB recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Employee benefits on costs

Employee benefits on costs such as payroll tax, workers compensation and superannuation are recognised as part of the provision for employee benefits.

(l) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

RMB as lessee

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. An asset and liability are both recognised at the fair value of the future lease payments. All other leases are classified as operating leases, in which case lease payments are recognised as an expense and no asset or liability is brought to account.

RMB as lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease and no asset or liability is brought to account.

(m) Equity

Contributions by owners

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 RMB.

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

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

(n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 15 Commitments for expenditure) at their nominal value and inclusive of the 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.

(o) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (Note 16) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

(p) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where the GST incurred is not recoverable from the taxation authority. In this case GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

(q) Subsequent events

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the RMB and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting

period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

(r) AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 31 December 2016 reporting period. Department of Treasury and Finance (DTF) assesses the impact of all these new standards and advises the RMB of their applicability and early adoption where applicable.

As at 31 December 2016, the following standards and interpretations that are applicable to the RMB had been issued but are not mandatory for the financial period ending 31 December 2016. The RMB has not early adopted these standards.

Standard/ Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on RMB financial statements
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> – The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and – Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI).
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector. The assessment has indicated that there will be no significant impact for the public sector.
AASB 14 Regulatory Deferral Accounts 2	AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP.	1 Jan 2016	The assessment has indicated that there is no expected impact, as those that conduct rate-regulated activities have already adopted Australian Accounting Standards.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 1 Summary of Significant Accounting Policies (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on RMB financial statements
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: <ul style="list-style-type: none"> – A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; – For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and – For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	The Board currently do not have any leases as lessee. The Board is the lessor for Alpine Head Leases. These have been assessed and may require further details and disclosures in the notes to the financial reports. The key risk is related to revaluations.
AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]</i>	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: <ul style="list-style-type: none"> – establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; – prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.

Note 1 Summary of Significant Accounting Policies (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on RMB financial statements
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]	Amends the methods of disposal in AASB 5 Non-current assets held for sale and discontinued operations. Amends AASB 7 Financial Instruments by including further guidance on servicing contracts.	1 Jan 2016	The assessment has indicated that when an asset (or disposal group) is reclassified from 'held to sale' to 'held for distribution', or vice versa, the asset does not have to be reinstated in the financial statements. Entities will be required to disclose all types of continuing involvement the entity still has when transferring a financial asset to a third party under conditions which allow it to derecognise the asset.
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 Fair Value Measurement is the same as the depreciated replacement cost concept under AASB 136.

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 2015-16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2014-1 *Amendments to Australian Accounting Standards [PART D – Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts only]*²
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-9 *Amendments to Australian Accounting Standards – Scope and Application Paragraphs* [AASB 8, AASB 133 & AASB 1057]
- AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

Note 2: Expenses from transactions

	2016 \$'000	2015 \$'000
(a) Employee expenses:		
Superannuation expense	374	304
Salaries and wages	4,120	3,542
Other employee benefits	94	75
Termination benefits	188	8
Total employee expenses	4,776	3,929
(b) Finance costs:		
Interest expense	84	91
Total interest expense	84	91
(c) Depreciation:		
Buildings	694	580
Infrastructure Assets	1,078	845
Plant & Equipment	502	383
Total depreciation	2,274	1,808
(d) Other:		
Bad and doubtful debts from transactions	-	-

Note 3: Other economic flows included in net result

	2016 \$'000	2015 \$'000
Net gain/(loss) on non-financial assets		
Gain on sale of assets	37	4
Loss on write-off of assets	(14)	(23)
Net gain/(loss) on disposal of physical assets	(23)	(19)



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 4: Receivables

	2016 \$'000	2015 \$'000
Current Contractual		
Sale of good and services	1,386	1,125
Provision for doubtful contractual receivables	–	–
Accrued Investment Income	7	6
Other receivables	20	4
	1,413	1,135
Statutory		
GST input tax recoverable	109	43
	109	43
Total Current Receivables	1,522	1,178

The carrying value of debtors at 31 December 2016 approximates fair value. A provision of nil (2015: nil) has been made in regard to the possible non-collection of Trade Debtors. Interest is charged on overdue site rentals and utility charges at a rate fixed by Section 2 of the *Penalty Interest Rates Act 1983*, which, at 31 December 2016 was 9.5% per annum. (2015: 9.5%)

(a) Ageing analysis of receivables

Please refer to Note 17 for the ageing analysis of receivables.

(b) Nature and extent of risk arising from receivables

Please refer to Note 17 for the nature and extent of risks arising from receivables.

Note 5: Inventories

	2016 \$'000	2015 \$'000
Consumables	26	34
Total Inventories	26	34



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 6: Infrastructure, Property, Plant and Equipment

	2016 \$'000	2015 \$'000
<i>Land</i>		
Land at Fair Value – Mount Buller – Village	78,375	78,375
Land at Fair Value – Mount Buller – Other	3,548	3,548
Land under Roads at Fair Value – Mount Buller	25,525	25,525
Land at Fair Value – Mount Stirling	3,240	3,240
Total Land at Fair Value	110,688	110,688
<i>Buildings</i>		
Buildings at Fair Value	18,665	18,571
Less Accumulated Depreciation	(2,810)	(2,116)
Total of Buildings at Fair Value	15,855	16,455
<i>Infrastructure Assets</i>		
Infrastructure Assets at Fair Value	38,044	37,090
Less Accumulated Depreciation	(4,265)	(3,187)
Total of Infrastructure Assets at Fair Value	33,779	33,903
<i>Plant & Equipment</i>		
Plant and Equipment at Fair Value	5,381	4,824
Less Accumulated Depreciation	(3,411)	(3,122)
Total of Plant and Equipment at Fair Value	1,970	1,702
Art work at Fair Value	337	337
Capital Work in Progress at Cost	3,123	2,757
Total Infrastructure, Property, Plant and Equipment	165,752	165,842

Land, buildings and infrastructure assets have not been revalued since 31 October 2011 and Artwork since 24 October 2008. As a result the RMB has not complied with the requirements of FRD 103F which requires scheduled revaluations to be performed every 5 years. An interim fair value assessment of these assets was performed as at 31 December 2016, which found that the fair values of these assets are not materially different to the asset values disclosed above.

Land & Buildings of the RMB were valued at 31 October 2011 by the Valuer-General of Victoria (using Cosgraves Property Advisors) at their fair value. Infrastructure assets of the RMB were valued at 31 October 2011 by the Valuer-General of Victoria (using AssetVal Pty Ltd) at their fair value. Art work of the RMB were valued at 24 October 2008 by Louise Smith Fine Art at their fair value. Additional Art work was acquired in 2014 from the Mount Buller Arts Association and were valued at insurable replacement cost which is deemed fair value.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 6: Infrastructure, Property, Plant and Equipment (continued)

In relation to Plant and Equipment management determined that in accordance with FRD 103F depreciated replacement cost represents a reasonable approximation of fair value at 31 December 2016.

	Land At Fair Value \$'000	Buildings At Fair Value \$'000	Infrastructure Assets At Fair Value \$'000	Plant and Equipment At Fair Value \$'000	Art Works At Fair Value \$'000	CWIP At Cost \$'000	Total \$'000
2015							
Opening net value	110,688	16,368	32,977	1,623	337	3,114	165,107
Additions	–	620	626	537	–	848	2,631
Disposals	–	–	–	(82)	–	(6)	(88)
Depreciation	–	(580)	(845)	(383)	–	–	(1,808)
Transfers	–	47	1,145	7	–	(1,199)	–
Closing net book value	110,688	16,455	33,903	1,702	337	2,757	165,842
2016							
Opening net value	110,688	16,455	33,903	1,702	337	2,757	165,842
Additions	–	58	904	833	–	533	2,328
Disposals	–	–	–	(94)	–	(50)	(144)
Depreciation	–	(694)	(1,078)	(502)	–	–	(2,274)
Transfers	–	36	50	31	–	(117)	–
Closing net book value	110,688	15,855	33,779	1,982	337	3,123	165,752



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 6: Infrastructure, Property, Plant and Equipment (continued)

Fair value measurement hierarchy for assets as at 31 December 2016

(\$ thousand)				
	Carrying amount as at 31 December 2016	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value				
Non Specialised Land	220	–	220	–
Specialised land	110,468	–	78,375	32,093
Total of land at fair value	110,688	–	78,595	32,093
Buildings at fair value				
Non specialised buildings	245	–	245	–
Specialised buildings	15,610	–	–	15,610
Total of buildings at fair value	15,855	–	245	15,610
Plant, equipment and vehicles at fair value				
Vehicles	905	–	–	905
Plant and equipment	1,065	–	–	1,970
Total of plant, equipment and vehicles at fair value	1,970	–	–	1,981
Infrastructure at fair value				
Infrastructure – Garbage	351	–	–	351
Infrastructure – Gas	873	–	–	873
Infrastructure – Mt Stirling	4,412	–	–	4,412
Infrastructure – Sewerage	6,036	–	–	6,036
Infrastructure – Village Facilities	2,420	–	–	2,420
Infrastructure – Water	4,997	–	–	4,997
Infrastructure – Roads & Carparks	14,690	–	–	14,690
Total of infrastructure at fair value	33,779	–	–	33,779
Cultural assets at fair value				
Artworks	337	–	337	–
Total of cultural assets at fair value	337	–	337	–

(i) Classified in accordance with the fair value hierarchy, see Note 1(b).



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 6: Infrastructure, Property, Plant and Equipment (continued)

Fair value measurement hierarchy for assets as at 31 October 2015

	(\$ thousand)			
	Carrying amount as at 31 October 2015	Level 1⁽ⁱ⁾	Fair value measurement at end of reporting period using: Level 2⁽ⁱ⁾	Level 3⁽ⁱ⁾
Land at fair value				
Non Specialised Land	220	–	220	–
Specialised land	110,468	–	78,375	32,093
Total of land at fair value	110,688	–	78,595	32,093
Buildings at fair value				
Non specialised buildings	252	–	252	–
Specialised buildings	16,203	–	–	16,203
Total of buildings at fair value	16,455	–	252	16,203
Plant, equipment and vehicles at fair value				
Vehicles	616	–	372	244
Plant and equipment	1,086	–	–	1,086
Total of plant, equipment and vehicles at fair value	1,702	–	372	1,330
Infrastructure at fair value				
Infrastructure – Garbage	356	–	–	356
Infrastructure – Gas	911	–	–	911
Infrastructure – Mt Stirling	4,398	–	–	4,398
Infrastructure – Sewerage	6,260	–	–	6,260
Infrastructure – Village Facilities	2,454	–	–	2,454
Infrastructure – Water	4,667	–	–	4,667
Infrastructure – Roads & Carparks	14,857	–	–	14,857
Total of infrastructure at fair value	33,903	–	–	33,903
Cultural assets at fair value				
Artworks	337	–	337	–
Total of cultural assets at fair value	337	–	337	–

(i) Classified in accordance with the fair value hierarchy, see Note 1(b).



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 6: Infrastructure, Property, Plant and Equipment (continued)

Non specialised land, non specialised buildings and artworks

Non specialised land, non specialised buildings and artworks are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non specialised land and non specialised buildings, an independent valuation was performed by independent valuers Cosgraves Property Advisors to determine the fair value using the market approach. Valuation of the assets was determined by adopting the site value for each leased site then calculating the present value of the income combined with the reversion value of the site at the expiration of the current site lease term. The effective date of the valuation is 31 October 2011.

For artwork, valuation of the assets is determined by a comparison to similar examples of the artists work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. No revaluation was performed for artwork for the financial period ending at 31 December 2016.

To the extent that non specialised land, non specialised buildings and artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings

Fair value for specialised land is determined by adopting the site value for each leased site then calculating the present value

of the income combined with the reversion value of the site at the expiration of the current site lease term and is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the RMB's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the RMB's specialised land and specialised buildings was performed by the Valuer General Victoria (using Cosgraves Property Advisors). The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 October 2011.

Infrastructure and road infrastructure

Infrastructure and road infrastructure and earthworks are valued using the depreciated replacement cost method. This cost represents the replacement cost of the asset 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, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the asset. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable. An independent valuation of the RMB's infrastructure and road infrastructure and earthworks was performed by the Valuer General Victoria (using AssetVal Pty Ltd). The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 31 October 2011.

Vehicles

Vehicles are valued using the depreciated replacement cost method. The RMB 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 RMB 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 depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 31 December 2016.

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



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 6: Infrastructure, Property, Plant and Equipment (continued)

Reconciliation of Level 3 fair value

2016	Specialised land	Specialised buildings	Vehicles	Plant and equipment	Infrastructure
Opening balance	32,093	16,203	244	1,086	33,903
Purchases (sales)	–	90	466	304	954
Transfers in (out) of Level 3	–	–	372	–	–
Depreciation	–	(683)	(177)	(325)	(1,078)
Impairment loss	–	–	–	–	–
Subtotal	–	(593)	651	(21)	(124)
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	–	–	–	–	–
Subtotal	–	–	–	–	–
Closing balance	32,093	15,610	905	1,065	33,779
2015	Specialised land	Specialised buildings	Vehicles	Plant and equipment	Infrastructure
Opening balance	110,468	16,111	188	1,083	32,977
Purchases (sales)	–	663	119	237	1,771
Transfers in (out) of Level 3	(78,375)	–	–	–	–
Depreciation	–	(571)	(63)	(234)	(845)
Impairment loss	–	–	–	–	–
Subtotal	(78,375)	92	56	3	926
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	–	–	–	–	–
Subtotal	–	–	–	–	–
Closing balance	32,093	16,203	244	1,086	33,903



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 6: Infrastructure, Property, Plant and Equipment (continued)

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant Unobservable Inputs
Specialised Land Land under Roads Specialised Land – Village Specialised Land – Parks	Market approach Present Value of Income Stream Market Approach	Extent & Impact of Restriction of Use Income per Square metre Adopted Area – \$ per hectare
Specialised buildings – General Specialised buildings – Alpine Central	Depreciated replacement cost Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings Direct cost per square metre Useful life of specialised buildings
Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Infrastructure – Garbage	Depreciated replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Gas	Depreciated replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Mt Stirling	Depreciated replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Sewerage	Depreciated replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Village	Depreciated replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Water	Depreciated replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Roads & Carparks	Depreciated replacement cost	Cost per unit Useful life of the infrastructure

These significant observable inputs remain unchanged from 31 October 2015.

Note 7: Other non-financial assets

	2016 \$'000	2015 \$'000
Prepayments (current)	411	402
Intangible Assets (non-current)	7	7
Total Other non-financial assets	418	409



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 8: Non financial physical assets classified as held for sale

(a) Non financial physical assets classified as held for sale

	2016 \$'000	2015 \$'000
Non current assets:		
Buildings held for sale	–	90
Total non financial physical assets classified as held for sale	–	90

(b) Fair value measurement of non financial physical assets held for sale

The following table provides the fair value measurement hierarchy of the Board's non financial physical assets held for sale.

	(\$ thousand)			
	Carrying amount as at 31 December 2016	Level 1 ⁽ⁱ⁾	Fair value measurement at end of reporting period using:	
			Level 2 ⁽ⁱⁱ⁾	Level 3 ⁽ⁱⁱⁱ⁾
Buildings held for sale	–	–	–	–
Total of buildings held for sale	–	–	–	–

Buildings held for sale is carried at fair value less costs to disposal. Refer to Note 6 for the valuation technique applied to non specialised buildings.

Note 9: Payables

	2016 \$'000	2015 \$'000
Current Contractual		
Supplies and services	408	303
Amount payable to government and agencies	–	1
Accrued expenses	414	576
Other payables	–	48
	822	928
Statutory		
FBT payable	16	5
Other tax payable	85	59
	101	64
Total payables	923	992

All Contracted Payables are non-interest bearing. The carrying amount of creditors at the end of the reporting period approximates fair value.

(a) Maturity analysis of contractual payables

Please refer to Note 17 for the ageing analysis of payables.

(b) Nature and extent of risk arising from contractual payables

Please refer to Note 17 for the nature and extent of risks arising from payables.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 10: Borrowings

	2016 \$'000	2015 \$'000
Current		
Interest bearing loan ⁽ⁱ⁾	82	155
Non-interest bearing loan ⁽ⁱⁱ⁾	211	199
	293	354
Non-Current		
Interest bearing loan ⁽ⁱ⁾	–	122
Non-interest bearing loan ⁽ⁱⁱ⁾	932	1,092
	932	1,214
Total Borrowings	1,225	1,568

(i) An interest bearing loan was taken out with the Treasury Corporation of Victoria in 2007, bearing a fixed interest rate of 6.84%, repayable in quarterly instalments over 10 years. The loan is unsecured.

(ii) Non interest bearing loans relate to the deferred settlement with La Trobe University on the acquisition of Alpine Central. The loan is recorded at its net present value at the date of acquisition. The loan is unsecured.

(a) Maturity analysis of borrowings

Please refer to Note 17 for the ageing analysis of borrowings.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 17 for the nature and extent of risks arising from borrowings.

(c) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 11: Employee Benefit Provisions

	2016 \$'000	2015 \$'000
Current Employee Benefit Provisions		
Employee Benefits (Note 11(a))		
<i>Annual leave entitlements (Note 11(a))</i>		
Unconditional and expected to settle within 12 months	170	175
Unconditional and expected to settle after 12 months	35	30
<i>Long Service Leave entitlements (Note 11(a))</i>		
Unconditional and expected to settle within 12 months	15	15
Unconditional and expected to settle after 12 months	297	245
<i>Other Employee Benefits (Note 11(a))</i>		
Accrued day off (ADO) entitlements	9	10
Staff bonuses	–	30
	526	505
Provision for on-costs (Note 11(a)) and Note 11(b))		
Unconditional and expected to settle within 12 months	11	13
Unconditional and expected to settle after 12 months	20	16
	31	29
Total Current Employee Benefit Provisions	557	534
Non-Current Employee Benefit Provisions		
Employee Benefits (Note 11(a))		
Conditional long service leave entitlements	148	155
On-costs (Note 11(a)) and Note 11(b))	9	9
Total Non-Current Employee Benefit Provisions	157	164
Total Employee Benefit Provisions	714	698



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 11(a): Employee benefits and on-costs

	2016 \$'000	2015 \$'000
Current Employee Benefits		
Annual Leave	205	205
Long Service Leave	312	260
Accrued day off (ADO) entitlements	9	10
Staff bonuses	–	30
Non-Current Employee Benefits		
Long Service Leave	148	155
Total Employee Benefits	674	660
Current on-costs	31	29
Non-Current on-costs	9	9
Total on-costs	40	38
Total Employee benefits and on-costs	714	698

Long service leave entitlements for those employees with 7 or more years' continuous service are treated as a current liability. Long service leave entitlements for those employees with less than 7 years continuous service are treated as a non-current liability.

Note 11(b): Movement in on-costs

	On-costs 2016 \$'000	Total 2015 \$'000
Opening Balance	38	36
Additional provisions recognised	24	22
Reductions arising from payments/other sacrifices of future economic benefits	(22)	(19)
Reductions resulting from re-measurement or settlement without cost	–	(1)
Unwind of discount and effect in the discount rate	–	–
Closing Balance	40	38
Current	31	29
Non-Current	9	9
	40	38



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 12: Superannuation

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

The RMB does not recognise any defined benefit liability in respect of the plan 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.

However, superannuation contributions paid or payable for the reporting period are included in the Comprehensive Operating Statement of the RMB.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the RMB are as follows:

Scheme:	Type	Cont'n Range (%)	2016 \$'000	2015 \$'000
Defined Benefit				
Emergency Services and State Super	Defined Benefit	9.5-12.6	12	16
Defined Contribution				
Vic Super	Accumulation	9.5	79	67
First Super	Accumulation	9.5	47	27
Host Plus Superannuation	Accumulation	9.5	90	63
Sunsuper Superannuation Fund	Accumulation	9.5	25	28
Other	Accumulation	9.5	194	166

Total contributions for the period were \$374,065 (2015: \$304,466) and there was \$31,293 (2015: \$23,570) outstanding as at 31 December 2016 which is included within Supplies and Services in note 9.

Note 13: Other liabilities

	2016 \$'000	2015 \$'000
Deferred revenue – current	209	176
Total Other Liabilities	209	176



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 14: Leases

Crown land

Crown Land is recorded in the accounts of the RMB at the Cosgraves Property Advisers valuation. The RMB has brought to account the rental revenue in relation to the leased sites and does not account for depreciation since the class of assets is defined as land. The RMB, acting as a Committee of Management under Section 38 of the *Alpine Resorts (Management) Act 1997*, manages 176 Crown lease arrangements with site holders. The lease arrangements cover lease periods up to ninety-nine years.

Gas network

The right to operate the LP Gas system was licensed to Indigo Shire Council. The RMB has retained the majority of the infrastructure assets associated with the delivery of gas to the site holders on the mountain. In 2013 the RMB has extended the lease to use these assets to Indigo Shire Council for ten years and will receive 3% of Gross revenue from the sale of gas during the period of the lease. The lease contains provisions for further ten year options. All assets remain the property of the RMB at the conclusion of the lease period.

	2016 \$'000	2015 \$'000
Non-cancellable operating lease receivables		
Not longer than 1 year	3,824	3,854
Longer than 1 year and not longer than 5 years	11,986	13,214
Longer than 5 years	55,987	61,888
	71,797	78,956

Note 15: Commitments for expenditure

The following commitments have not been recognised as liabilities in the financial statements:

	2016 \$'000	2015 \$'000
Operating expenditure commitments		
<i>Other operating commitments</i>		
Within one year	2,680	2,603
Later than one year but not later than 5 years	3,609	6,168
Longer than 5 years	30,044	30,502
Total operating expenditure commitments	36,333	39,273

There were no capital expenditure commitments during the period.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 16: Contingent assets and liabilities

There are 5 claims that have been made against the RMB by visitors. The claims are currently being investigated by insurance assessors. In 2015-16 the RMB has accounted for \$72,336 of costs incurred in investigating these claims by our insurer. Should there ultimately prove to be any substance to each claim the liability to the RMB would be limited to the \$25,000 insurance excess per claim and the contingent liability would be limited to \$27,700 (2015: \$52,664)

Note 17: Financial instruments

(a) Significant accounting policies

The RMB's principal financial instruments comprise of:

- cash assets;
- term deposits;
- receivables;
- payables; and
- borrowings.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

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

The RMB's main financial risks include credit risk, liquidity risk and interest rate risk. The RMB manages these financial risks in accordance with its financial risk management policy.

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

The carrying amounts of the RMB's financial assets and financial liabilities by category are in the table below.

	Note	Category	Carrying amount 2016 \$'000	Carrying amount 2015 \$'000
Contractual financial liabilities				
Cash and deposits	18(a)	N/A	4,406	4,493
Receivables	4	Loans and receivable (at amortised cost)	1,413	1,135
Total financial assets			5,819	5,628
Financial liabilities				
Payables	9	Financial liabilities measured at amortised cost	822	928
Interest bearing liabilities	10	Financial liabilities measured at amortised cost	82	277
Non-interest bearing loans	10	Financial liabilities measured at amortised cost	1,143	1,291
Total contractual financial liabilities			2,047	2,496



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 17: Financial instruments (continued)

(b) Credit risk

Credit risk arises from the financial assets of the RMB, which comprise cash and deposits, trade and other receivables. The RMB's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the RMB. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the RMB's financial assets is minimal because the majority of debtors arise under lease arrangements and default of payment would constitute a breach of the contractual lease agreement which could result in termination of the lease.

The RMB does not engage in hedging for its financial assets and mainly obtains financial assets that are on fixed interest or cash assets which are mainly cash at bank.

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

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

The following table discloses the ageing only of financial assets that are past due but not impaired:

(\$ thousand)

Receivables	Carrying amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 month	1–3 months	3 months – 1 year	Greater than 1 year	
2016	1,413	1,345	–	34	33	1	–
2015	1,135	1,092	–	7	35	1	–

(c) Liquidity risk

Liquidity risk is the risk that the RMB would be unable to meet its financial obligations as and when they fall due. The RMB operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The RMB's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The RMB manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services & Standard & Poor's triple-A), which assists in accessing debt market at a lower interest rate.

The RMB's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 17: Financial instruments (continued)

(c) Liquidity risk (continued)

The following table discloses the contractual maturity analysis for the RMB's contractual financial liabilities.

	Carrying amount	Nominal amount	(\$ thousand)					
			Maturity Dates					
			Less than 1 month	1–3 months	3 months – 1 year	1–5 years	More than 5 years	
2016								
Payables	822	822	–	822	–	–	–	–
Borrowings	1,225	1,225	–	58	234	726	206	
	2,047	2,047	–	880	234	726	206	
2015								
Payables	928	928	–	928	–	–	–	–
Borrowings	1,568	1,568	–	56	298	812	402	
	2,496	2,496	–	984	298	812	402	

(d) Market risk

The RMB's exposure to market risk is primarily through interest rate risk which might arise primarily through the Board's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

(e) Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The RMB does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The RMB has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

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



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 17: Financial instruments (continued)**(e) Interest rate risk (continued)**

The RMB's exposure to interest rate risk is set out in the following table:

(\$ thousand)

2016	Interest rate exposure					Interest rate risk			
	Weighted average effective interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non- interest bearing	- 2%		+ 2%	
						Net result	Equity	Net result	Equity
Financial assets:									
Cash at bank and on hand	0.30	438	–	438	–	(9)	(9)	9	9
Short-term Deposits	1.66	3,968	–	3,968	–	(79)	(79)	79	79
Receivables	0.12	1,413	18	–	1,395	(1)	(1)	1	1
Total		5,819	18	4,406	1,395	(89)	(89)	89	89
Financial liabilities:									
Payables	–	822	–	–	822	–	–	–	–
Borrowings	5.33	1,225	1,225	–	–	–	–	–	–
Total		2,047	1,225	–	822	–	–	–	–
Total increase/(decrease)						(89)	(89)	89	89

2015	Carrying amount	- 2%		+ 2%					
		Net result	Equity	Net result	Equity				
Financial assets:									
Cash at bank and on hand	0.67	275	–	275	–	(6)	(6)	6	6
Short-term Deposits	2.07	4,218	–	4,218	–	(84)	(84)	84	84
Receivables	0.34	1,135	40	–	1,095	(1)	(1)	1	1
Total		5,628	40	4,493	1,095	(91)	(91)	91	91
Financial liabilities:									
Payables	–	928	–	–	928	–	–	–	–
Borrowings	5.51	1,568	1,568	–	–	–	–	–	–
Total		2,496	1,568	–	928	–	–	–	–
Total increase/(decrease)						(91)	(91)	91	91



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 18: Cash flow information

(a) Reconciliation of cash and cash equivalents

	2016 \$'000	2015 \$'000
Cash at bank and on hand	438	275
Short-term Deposits	3,968	4,218
Balance as per cash flow statement	4,406	4,493

The RMB does not have access to a bank overdraft as at 31 December 2016.

Included in these cash balances are amounts set aside for use as the RMB's Snow Drought Fund of \$600,000 (2015: \$600,000), Debt Repayment Fund of \$350,000 (2015: \$350,000) and Capital Improvement Fund of \$1,000,000 (2015: \$1,000,000). These funds have been established to comply with the Minister of Energy, Environment and Climate Change's Alpine Reform Package program, the aim of which was to improve financial governance and thus the financial sustainability of the Alpine Resort Management Boards.

The Snow Drought Fund may be drawn upon with Ministerial approval in the event of a poor snow season which leads to a liquidity shortage as a result of a reduction in visitor related revenue.

The Debt Repayment Fund will be drawn upon to repay outstanding debt when required, in times of low cash resources and/or financial hardship.

The purpose of the Capital Improvement Fund is to provide a pool of internally generated funds to finance asset replacement and capital works expenditure.

(b) Reconciliation of net result for the period to net cash flows from operating activities

	2016 \$'000	2015 \$'000
From Operating Activities to operating Profit		
Operating Profit/(Loss) for the period		
Non-cash movements:	371	1,339
Depreciation	2,263	1,808
Asset Received at Fair Value	–	(90)
Net (Profit)/Loss on Sale of Fixed Assets	(23)	19
Capital Work in Progress written-off	50	–
Movements in assets and liabilities:		
Decrease/(Increase) in Trade and Other Debtors	(423)	(627)
Decrease/(Increase) in Inventories	8	(10)
Decrease/(Increase) in Other Current Assets	(9)	46
Increase/(Decrease) in Payables	313	(165)
Increase/(Decrease) in Current Provisions	23	(13)
Increase/(Decrease) in Non-Current Provisions	(7)	60
Increase/(Decrease) in Unearned Revenue	33	48
Net cash flows from/(used in) operating activities	2,599	2,415



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 19: Physical Asset revaluation surplus

	2016 \$'000	2015 \$'000
Balance of Land revaluation surplus at beginning of the financial year	4,653	4,653
Revaluation of land	–	–
Balance of land revaluation surplus at the end of the financial year	4,653	4,653
Balance of Buildings revaluations surplus at beginning of the financial year	5,561	5,561
Revaluation of buildings	–	–
Balance of buildings revaluation surplus at the end of the financial year	5,561	5,561
Balance of Infrastructure revaluation surplus at beginning of the financial year	12,379	12,379
Revaluation of infrastructure	–	–
Balance of Infrastructure revaluation surplus at the end of the financial year	12,379	12,379
Balance physical asset revaluation surplus at end of year	22,593	22,593

Note 20: Responsible persons

a) Board meetings

The following table records the attendance of members at board meetings between 1 November 2015 and 31 December 2016:

<i>Board Members</i>	Total Meetings while in office	Meetings Attended
Jennifer Hutchison (<i>Chairman</i>)	14	14
Jacqui Jennings (<i>Deputy Chairman</i>)	12	10
Ian Maxfield	12	12
Andrew Evans	14	11
Michelle Croughan	12	12
Zita Peach	12	10
Chris Pattas	12	12
Dean Belle (<i>Fmr Deputy Chairman</i>)	2	2
John Lithgow	2	2
Elaine Farrelly	2	1
Bryce Moore	2	1
Dr Kate Brooks	2	1



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 20: Responsible persons (continued)

b) Responsible persons

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

The names of persons who were responsible persons at any time during the financial year were:

- Lisa Neville MLA, (*Minister for Environment, Climate Change and Water from 4 December 2014*)
- Lily D'Ambrosio MLA (*Minister for Energy, Environment and Climate Change from May 2016*)
- Jennifer Hutchison, (*Chairman of RMB*)
— *reappointed 01/01/2016*
- Jacqui Jennings, (*Deputy Chairman of RMB*)
— *appointed 01/01/2016*
- Ian Maxfield, (RMB Member)
— *appointed 01/01/2016*
- Andrew Evans, (RMB Member)
— *reappointed 01/01/2016*
- Michelle Croughan, (RMB Member) — *appointed 01/01/2016*
- Zita Peach, (RMB Member)
— *appointed 01/01/2016*
- Chris Pattas, (RMB Member)
— *appointed 01/01/2016*
- Dean Belle (RMB Member)
— *resigned 31/12/2015*
- Dr Kate Brooks (RMB Member)
— *resigned 31/12/2015*
- Elaine Farrelly (RMB Member)
— *resigned 31/12/2015*
- John Lithgow (RMB Member)
— *resigned 31/12/2015*
- Bryce Moore (RMB Member)
— *resigned 31/12/2015*
- John Huber, (*Chief Executive Officer*)

Remuneration of Responsible Persons

Remuneration received, or due and receivable from the RMB in connection with the management of the RMB for the financial period ended 31 December 2016 was \$360,632 (2015: \$309,081). The number of responsible persons whose remuneration from the RMB was within the specified bands is as follows:

\$000's	2016	2015
1-10	11	6
11-20	1	1
241-250	–	1
291-300	1	–

The relevant Minister's remuneration is reported separately in the financial statements of the Department of Premier and Cabinet.

Retirement Benefits of Responsible Persons

There were no retirement benefits paid by the RMB in conjunction with the retirement of Responsible Persons of the RMB during the financial year.

Loans

As at 31 December 2016 there were no loans in existence that have been made, guaranteed or secured by the Board to a Responsible Person of the RMB or a related party of a Responsible Person.

Related party transactions

Jennifer Hutchison is a member of the Alpine Resorts Coordinating Council (ARCC). Mrs Hutchison is also a part owner of the freehold of the Delatite Hotel, Mansfield.

Zita Peach is the owner of Apartment 13 Moloneys, which is a leaseholder on Mt Buller.

Dean Belle is a Board member of the Mansfield-Mount Buller Regional Tourism Association (MMBRTA). Mr Belle is also a proprietor of the Mansfield Regional Produce Store and Delatite Hotel both suppliers of the RMB.

John Lithgow is a Board member of the Mount Buller Arts Association.

Bryce Moore is a shareholder in the Merrijig Ski Club Co-operative Ltd, an organisation which is a leaseholder on Mount Buller.

John Huber is Chairman of the Board of the Mansfield-Mount Buller Regional Tourism Association Ltd (MMBRTA), on the Board of the North East Victoria Tourism Board (NEVT) and the Alpine Resort Coordination Council (ARCC) Co-operation Committee. Mr Huber is also a director of the Mount Buller Arts Association. Mr Huber received no direct remuneration from these positions.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 20: Responsible persons (continued)

The following additional transactions have been entered into with related party entities:

	2016 \$'000	2015 \$'000
Molony's Apartments Pty Ltd		
Revenue received ⁽¹⁾	121	–
Delatite Hotel		
Revenue received ⁽¹⁾	1	–
Merrijig Ski Club Co-operative Ltd		
Revenue received ⁽¹⁾	29	30
Mansfield Mt Buller Regional Tourism Association		
Revenue received	–	–
Other services paid	(244)	(151)
Alpine Resorts Coordinating Council		
Contributions paid	(646)	(505)
North East Victoria Tourism Board		
Contributions paid	48	48
Mansfield Regional Produce Store		
Other services paid	4	–
Mount Buller Arts Association		
Other services paid ⁽²⁾	–	(18)

(1) Revenue received includes site rents which are levied in accordance with the site lease contract and service charges using a formula that is equally applied to all sites, and payments for advertising in RMB collateral and the website as well as car park season passes and entry.

(2) Entities are not related parties of the RMB in 2015-16.



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 21: Remuneration of executives

The number of executive officers, other than responsible persons, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, allowances, vehicles, redundancy payments and retirement benefits. The total annualised equivalent provides a measure of full time equivalent executive officers over the reporting period.

Several factors have affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated during the year and a number of executives received bonus payments during the year. These bonus payments depend on the terms of the individual employment contracts.

The number of executive officers whose remuneration falls within the specified bands above \$100,000 is as follows:

Income band \$000's	Total Remuneration		Base Remuneration	
	2016 No.	2015 No.	2016 No.	2015 No.
0 – 100	–	–	2	1
101 – 110	1	–	–	–
111 – 120	–	–	–	–
121 – 130	–	–	–	3
131 – 140	–	–	1	1
141 – 150	–	2	2	–
151 – 160	1	1	–	–
161 – 170	–	2	–	–
171 – 180	2	–	–	–
201 – 210	1	–	–	–
Total number of executives	5	5	5	5
Total annualised employment equivalents (AAE) ¹	5	5	5	5
Total Amount	\$842,319	\$767,846	\$596,408	\$581,355

(1) Annualised employee equivalent is based on working 38 hours per week over the reporting period.

Note 22: Auditor's Remuneration

	2016 \$'000	2015 \$'000
Audit Services		
Victorian Auditor-General	21	21



Notes to the Financial Statements for the financial period ended 31 December 2016

Note 23: Subsequent events

On 20 March 2017 the Victorian Ombudsman released a report detailing an investigation into allegations of improper conduct by officers at the Mt Buller and Mt Stirling Resort Management Board. The report contained a number of recommendations that the Board has committed to ensuring will be adopted and implemented in full. The Report's findings and recommendations has no impact on the 2015-16 Financial Statements or operations of the RMB during that period.

The Chairman of the Mt Buller and Mt Stirling Resort Management Board, Jennifer Hutchison, has since tendered her resignation. Thus, the financial statements are authorised by Acting Chair, Jacqueline Jennings.

Other than those disclosed above no other matter or circumstances have arisen since the end of the reporting period which may significantly affect the operations of the RMB, the result of those operations, and the state of affairs of the RMB in future periods.

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Board of the Mount Buller and Mount Stirling Alpine Resort Management Board

Opinion

I have audited the financial report of the Mount Buller and Mount Stirling Alpine Resort Management Board (the entity) which comprises the:

- balance sheet as at 31 December 2016
- 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 comprising a summary of significant accounting policies
- declaration by the Mount Buller and Mount Stirling Alpine Resort Management Board.

In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 31 December 2016 and their financial performance and cash flows for the period then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

The Auditor-General's independence is established by the *Constitution Act 1975*. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the financial report

The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, 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 entity'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.

Independent Auditor's Report (continued)**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 our 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 entity'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 entity'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 entity 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 April 2017



Anna Higgs
as delegate for the Auditor-General of Victoria



Disclosure Index

Legislation	Requirement	Page ref.
Accountable Officer's declaration		
SD 4.2(j)	Sign off requirements	31
Charter and purpose		
MRO	Chair's foreword	1
MRO	Structural changes during 2015-16	9-11
FRD 22G	Objectives, functions, powers and duties	4
FRD 22G	Manner of establishment and responsible Minister	4
FRD 22G	Nature and range of services provided	14-16
Performance reporting: Non-financial		
FRD 22G	Operational and budgetary objectives	5
FRD 22G, FRD 27C & MRO	Performance against objectives	5
FRD 22G	Key Initiatives and projects	5
Financial information: Financial		
FRD 22G	Summary of the financial results	5
FRD 22G	Major changes or factors affecting performance	28
FRD 22G	Subsequent events	28
FRD 22G	Significant changes in financial position during the year	27
FRD 22G, FRD 27C & MRO	Performance against objectives	27
MRO	Capital projects	26
Governance and organisational structure		
FRD 22G & SD2.2(f)	Organisational structure	11
FRD 22G	Governing body	6-7
FRD 22G & SD 2.2(f)&(g)	Audit committee membership and roles	8
FRD 22G	Board committees	8
FRD 22G	Occupational health and safety policy	24
Workforce data		
FRD 22G	Public administration employment and conduct principles	24
FRD 22G & FRD29	Comparative workforce data	24
FRD22G	Workforce Inclusion Policy	24
FRD21B & FRD 15C	Executive officer disclosures	72
Other information		
FRD 10	Disclosure index	76
FRD 12A	Major contracts	28
FRD 22G	Details of consultancies in excess of \$10 000	27
FRD 22G	Details of consultancies under \$10 000	27
FRD 22G	Government advertising expenditure	28
FRD 22G	Information and communication technology expenditure	30
FRD 22G	Application and operation of <i>Freedom of Information Act 1982</i>	30
FRD 22G	Compliance with <i>Building Act 1993</i>	16
FRD 22G	Statement on National Competition Policy	29
FRD 22G & PD Act	Application and operation of <i>Protected Disclosures Act 2012</i>	30
FRD 22G	Summary of environmental performance	17-19
FRD 22G	Statement of availability of other information	30
FRD 25B	Victorian Industry Participation Policy disclosures	29
SD 4.5.5	Risk management compliance attestation	28
MRO	Compliance with VicData access policy	30
PC 2012/02	Gifts, benefits and hospitality attestation	29

Legislation	Requirement	Page ref.
Legislation		
<i>Financial Management Act 1994</i>		31
<i>Freedom of Information Act 1982</i>		30
<i>Protected Disclosures Act 2012</i>		30
<i>Building Act 1993</i>		16
<i>Victorian Industry Participation Policy Act 2003</i>		29
FRD 30B	Standard requirements for the design and print of annual reports	Entire document
FRD – Financial Reporting Direction	SD – Standing Direction	
PC – Premier’s Circular	MRO – Model Report of Operations	



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