



2017 Annual Report

Mount Buller and Mount Stirling Alpine Resort Management Board





ACCOUNTABLE OFFICER'S DECLARATION

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 2017.

A handwritten signature in black ink, appearing to be 'Jaqueline Jennings'.

Dr Jaqueline Jennings
Chairman
Mount Buller and Mount Stirling Alpine Resort Management Board

9 February 2018

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2021

CHAIRMAN'S REPORT

Driving future sustainability for Mount Buller and Mount Stirling through maintaining a clear environmental focus and improved business practices has delivered record visitor satisfaction in 2017.

With record snow and record attendance, scientific accolades, significant re-organisation and the culmination of long worked for infrastructure and commercial signings, 2017 has been a year of challenge and reward.

In March 2017, the Ombudsman's *Investigation into allegations of improper conduct by officers at the Mount Buller and Mount Stirling Resort Management Board* identified several concerns which led to the Chair, CEO and Development & Operations Manager leaving the organisation. In response, the Board embraced a clear mandate to improve governance practices, rebuild trust and relationships with stakeholders, rebuild the Resort Management team and progress a backlog of activity important to the future success of the mountains. This commenced with the appointment of CEO Mark Bennetts in June.

In August, during the closing days of an exceptional Interschools event, a long-term relationship with the Olympic Winter Institute of Australia (OWIA) was enhanced when Ski & Snowboard Australia, Buller Ski Lifts, the Mount Buller and Mount Stirling Alpine Resort Management Board (RMB) and the OWIA agreed to the creation of a dedicated Olympic Training Centre at Mount Buller. This is expected to result in Olympic aerial and mogul skiers living and training on the mountain day and night - on the slopes during winter and making use of trampoline training facilities throughout the year. The public will benefit, not only from access to the moguls course and trampoline training facilities, but importantly from the inspirational experience of observing these elite athletes as they train and develop.

We were also pleased to receive planning approval in late December 2017 from the Minister for Planning, the Hon Richard Wynne MP, for the Mount Buller Water Storage Project. This project is vital to the supply of potable water in summer and additional snowmaking water in winter. It is also a key strategic pillar to address the impact of climate change on the sustainability and viability of the mountain.

I would like to make special mention here of the many years of work dedicated to this project by a small team of the highest professional calibre who ensured that potential environmental impact was the primary overlay on every design element of the water security plan. I would also like to acknowledge and thank the considerable contribution of stakeholder groups including the Mount Buller commercial and private community and the Victorian Governments Department of Tourism and Department of Environment, Land, Water and Planning, who have been involved in bringing the project to this point.

Site preparatory work will commence in 2018 and construction activity will commence in 2019/20.

I opened by mentioning that 2017 has been one of the best snow seasons on record. Of particular note, Mount Buller enjoyed a strong start to the season courtesy of the joint investment of Buller Ski Lifts and the RMB in a new state of the art 'Snowmaking Factory'. This remarkable piece of equipment enabled the resort to guarantee snow for Opening Weekend. And this year, in conjunction with favourable weather conditions, secured the opportunity to open one week early. Bumper snow falls throughout the season resulted in the best September snow since 1992 and allowed the resort to extend the season into October. This amazing snow resulted in more than 400,000 visitors to Mount Buller and more than 8,000 to Mount Stirling, which were visitation levels 27% and 35% greater than 2016 respectively.

Outside of the snow season Mount Buller continues to attract major sporting events. This year saw the continued success of Targa High Country, and the securing of a highly coveted Enduro World Series mountain bike event to open the Summer Season 2018 on 1-2 December.

Mount Stirling continues to see growth in education and recreational visitation and has this year benefited from strong stakeholder engagement which has facilitated the production of a contemporary vision for the Mount Stirling Alpine Resort. Mount Stirling 2030 presents a vision that reflects community and stakeholder aspirations, celebrating the social and environmental values of the mountain and addressing challenges of climate change.

It was also a great thrill this year to see the recognition of the Mount Buller and Mount Stirling Environmental Management team in several publications – not least of which was the October issue of the scientific journal *Nature Communication* with an article focussed on the world class genetic rescue activity of *Burrmys Parvus* – the Mountain Pygmy-possum. This rescue programme also appeared in the *Australian Geographic Top 10: 2017's most amazing Australian animal science stories*.

I would like to thank the Hon Lily D'Ambrosio MP and her staff, and members of the RMB for their support throughout the year. I also want to acknowledge and congratulate all those on the mountains who worked tirelessly to provide a positive and memorable alpine experience for hundreds of thousands of local and international guests.

Dr Jacqueline Jennings
Chairman



CEO'S REPORT

2017 was a year of contrasts for the RMB, from an amazing winter and record visitation, through to focused efforts on implementing effective governance and management practices and rebuilding stakeholder trust.

The fabulous winter was an absolute highlight. The new Snow Factory allowed Mount Buller to offer a snow guarantee for opening weekend. This, coupled with night skiing on Bourke Street and fireworks over the toboggan slope brought large numbers of families to the mountains to kick off the season. Then from July, the snow just kept coming, attracting bumper crowds all the way through until the extended closing weekend of 8-9 October. This included record numbers of visitors from culturally and linguistically diverse communities looking to experience snow for the first time, through to hard core skiers and boarders making the most of deep snow through the chutes and gullies. We had a record of 88,000 vehicles through the resort entry gate, a total of 593,000 visitor days to the mountains, and carried 815,000 passengers on the carpark and village shuttles. The Victorian Interschools Championship welcomed over 2,600 participants from 190 schools, and nearly 1,600 participants from 233 schools around Australia for the Nationals. This all required a huge effort from the RMB team in keeping the roads and carparks clear and safe, welcoming visitors, parking cars, providing assistance, delivering events, keeping public facilities clean and tidy, delivering essential services such as water, sewage treatment and rubbish collection, and keeping everyone informed with our marketing communications.

Biking, running and walking remained the focus of attracting summer visitors. Events including the Victorian Downhill Series, Bike Buller Festival and Mount Buller Sky Run brought an estimated 6,800 visitors, while the ever popular Targa High Country rally generated approximately 3,400 visitor nights.

The completion of the Ombudsman's investigation and resultant findings were difficult for everyone on the mountains. These are continuing to shape our efforts to implement equitable and effective governance and management practices, and to restore trust and confidence amongst the team and all of our Stakeholders. The Board and Management worked closely together in the second half of the year to strengthen our instrument of delegations, implement a robust and extensive risk management framework, and implement a transparent mechanism for determining the tenure of new leases. We also created or completely revised key policies relating to conflicts of interest, corporate credit cards, gifts and benefits, work expenses, accommodation usage, vehicles, purchasing, complimentary resort entry, fraud, and the use of mobile devices. These works will continue into 2018 and beyond as part of our efforts to deliver the exemplary management practices that all Stakeholders expect.

We managed to achieve some significant milestones through the year. Goulburn Murray Water formally approved our extraction of water from Boggy Creek outside the winter period for two years, which avoided the mountain otherwise having to close during summer. We received a planning permit from the Minister for Planning for the long running water security project, and detailed design will now occur during 2018. A new micro-hydro facility was completed at Telephone Box Junction providing renewable power. Water treatment plants supplying potable water at Mirimbah and Mount Buller were upgraded. And we commenced discussions with Buller Ski Lifts for a combined vehicle sponsor, after our valued agreement with Subaru came to an end.

Heavy snow and strong winter visitation resulted in our highest ever 12 monthly operating income of \$15m in 2017, which was more than \$1m above plan. Snow conditions also resulted in operating costs being \$0.4m above plan. However several factors adversely impacted bottom line performance. There were no land releases (\$600k), the disbanded Link Road project was written off (\$536k), we commenced a snowmaking partnership with Buller Ski Lifts (\$512k), there were legal and other costs related to the Ombudsman's findings (\$216k), and RMB artworks were devalued by the Valuer General (\$190k).

Looking forward, it is clear we have much to do in 2018 and beyond. Our new Corporate Plan is focused on growing visitation, improving compliance, improving stakeholder satisfaction, improving resort sustainability, developing a high performance culture, and improving financial viability. We will implement initiatives to improve the visitor experience and remove key sources of visitor frustration. The Board has decided to spend close to \$2m in restoring key infrastructure that has suffered from inadequate attention over many years, and to further invest in additional car parking, pedestrian safety and organisational efficiency. In closing, I would like to thank the team, Board and all Stakeholders for their passion, support and efforts as we work cooperatively together to build a bigger and better Mount Buller and Mount Stirling.



Mark Bennetts
Chief Executive Officer



RESORT PROFILE

Mount Buller and Mount Stirling Alpine Resorts cover 5,000 hectares within the Mansfield Shire. The main entry is at Mirimbah, which is 230km from Melbourne and 32km from the nearest town of Mansfield. The summits are at 1,804m (Mount Buller) and 1,749m (Mount Stirling) with a snowline at approximately 1,200m.

MOUNT BULLER

The Mount Buller Village is 16km from Mirimbah and a popular winter destination. There are approximately 30 commercial operators and 200 leased sites providing a variety of food and beverage, entertainment and accommodation facilities and services including approximately 8,000 beds in hostels, lodges, apartments and private residences. Buller Ski Lifts Pty Ltd is the largest commercial operator, managing the 300 hectare ski area, ski lifts, ski patrol, ski school and several food and beverage and accommodation facilities.

The resort has over 300,000 visitors each winter who generate more than 450,000 visitor days, and account for more than 40% of all visits to Victorian alpine resorts. Summer sees approximately 50,000 visitors coming for the mountain bike trails, running trails, summer events and sightseeing.

MOUNT STIRLING

Winter visitors to Mount Stirling park at Telephone Box Junction, which is 9kms from Mirimbah via an unsealed road. The facilities and services include visitor information, café, ski school, ski hire, and ski patrol.

There are approximately 8,000 visitors each winter including nature lovers and school groups who participate in cross-country skiing, snow-shoeing, alpine touring and outdoor education in an undeveloped alpine environment. Accommodation is limited to the Alpine Camp operated by Stirling Experience, refuge huts and snow camping. Visitation increases in summer when over 30,000 people come for four-wheel driving, bushwalking, horse riding, mountain biking and camping. Most activities and services at Mount Stirling are delivered by private operators under licencing agreements.



VISITOR STATISTICS

	2014	2015	2016 ⁽¹⁾	2017
Mount Buller (Winter)	309,875	380,437	317,891	403,945
Mount Buller (Summer) ⁽²⁾	82,723	89,695	102,515	75,881
Mount Stirling (Winter)	7,228	6,096	6,041	8,161
Mount Stirling (Summer) ⁽²⁾	46,369	34,698	57,755	31,002
Vehicles (Winter)	69,428	64,909	72,825	84,398
Passengers using free shuttles / buses	698,785	617,812	693,629	815,132

1) 2016 includes 14 months from November 2015 to December 2016

2) As determined by the Alpine Resorts Coordinating Council

ENTITY INFORMATION

The Mount Buller and Mount Stirling Alpine Resort Management Board is a statutory authority established by the *Alpine Resorts (Management) Act 1997*. It operates:

- 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.

OBJECT OF THE ALPINE RESORTS (MANAGEMENT) ACT 1997

The object of the Act is to make provision 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);
- 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.



FUNCTIONS

The following Board functions & obligations are detailed in the Act, and must be performed in an environmentally sound way:

- plan for the development, promotion, management & use of the resorts;
- develop & promote or facilitate the development & promotion of the resorts;
- manage the resorts in accordance with the Act;
- contribute to the development of the Alpine Resorts Strategic Plan and other strategic planning for alpine resorts as a whole;
- undertake research into resort issues;
- contribute to and support the operation of the Alpine Resorts Coordinating Council (ARCC);
- act as a committee of management for Crown land at the resorts;
- contribute (with Tourism Victoria and the ARCC) to the overall promotion of alpine resorts;
- develop a tourism and marketing strategy to promote the resorts, and collect and expend voluntary contributions from commercial operators at the resorts for this purpose;
- provide services and charge contributions for the provision of those services - garbage disposal, gas supply, drainage, electricity, roads, fire protection, snowmaking, transport;
- collect fees prescribed by the regulations for the resorts;
- attract investment for the improvement of the resorts;
- carry out other functions conferred on the Board under any Act.

STATUTORY REPORTING

The responsible Minister during 2017 was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change. 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 reports to the Minister through the Annual Report, 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.

YEAR AT A GLANCE

KEY FINANCIAL DATA

(\$000's)	2013	2014	2015	2016 ⁽¹⁾	2017
Operating revenue					
Gate entry	3,613	4,584	4,648	5,044	5,930
Site rental fees	3,756	3,842	3,716	4,518	4,189
Service charges	3,382	3,538	3,636	4,362	3,841
Sale of rights to lease / develop land	0	0	932	293	0
Government funding	175	382	148	219	74
Other revenue	1,540	879	1,043	1,153	1,049
Total revenue	12,466	13,225	14,123	15,589	15,083
Operating expenditure	12,107	12,555	12,765	15,241	14,460
Other economic flows	(90)	(11)	(19)	23	(790)
Comprehensive result	269	659	1,339	371	31,209
Total Assets	170,931	171,181	172,046	172,124	202,827
Total Liabilities	4,396	3,987	3,434	3,071	2,683
Net Assets	166,535	167,194	168,612	169,053	200,144
Assets Comprise:					
Land	110,688	110,688	110,688	110,688	106,117
Other non-financial assets	53,398	54,898	55,707	55,508	90,592
Financial assets	6,845	5,595	5,671	5,928	6,118

1) 2016 includes 14 months from November 2015 to December 2016



VISION, MISSION, STRATEGY, VALUES

VISION

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

MISSION

The mission is to develop, promote, manage and use the resorts on a sustainable basis and in a manner compatible with the alpine environment, having regard to environmental and ecological considerations (particularly climate change), economic considerations, and cultural heritage considerations (particularly indigenous cultural heritage). It is also to use the resorts primarily for alpine recreation and tourism, in all seasons of the year, by persons from varied cultural and economic groups.

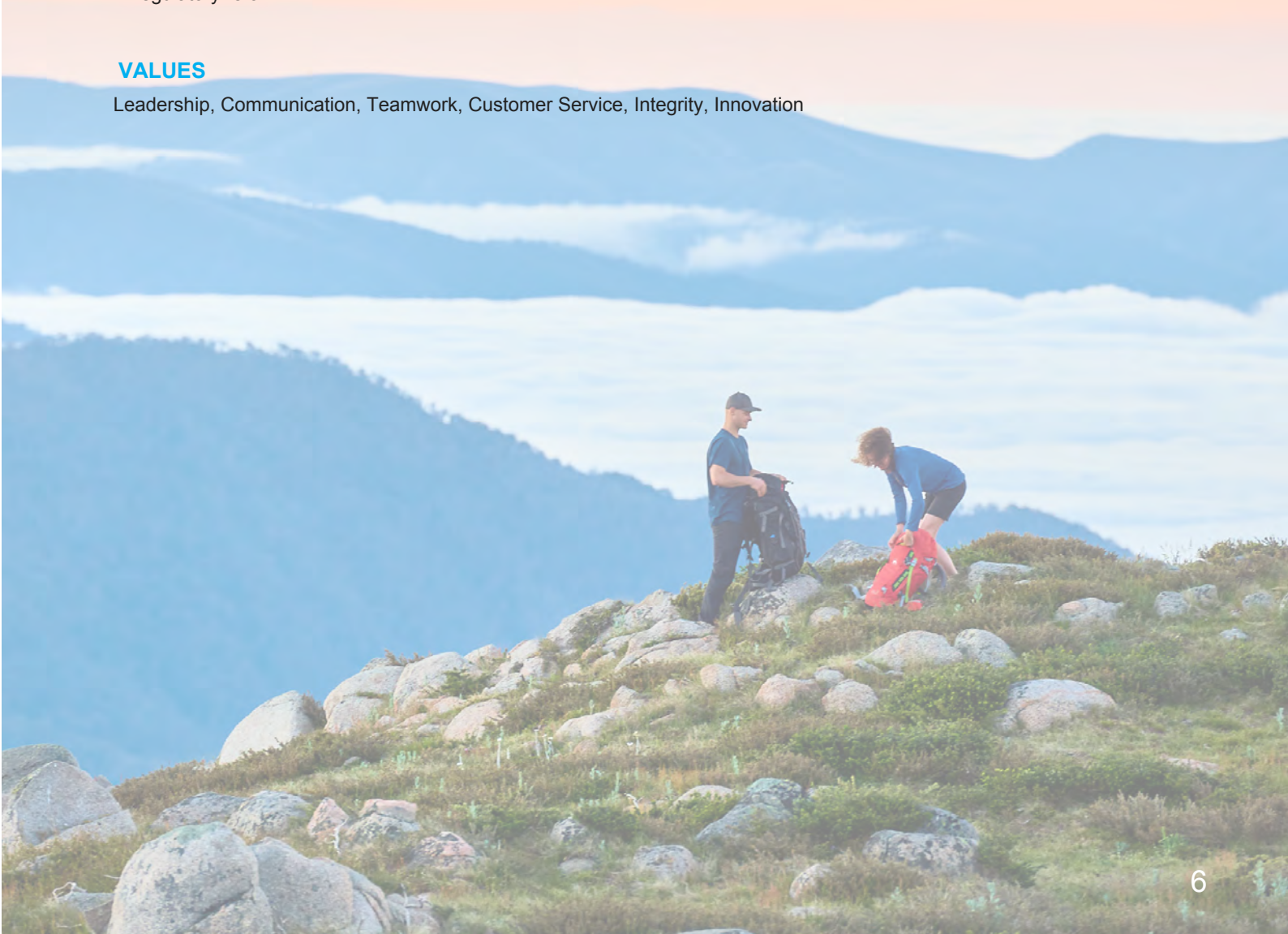
STRATEGY

The Mount Buller and Mount Stirling strategic plan adopts the six directions identified in the Alpine Resorts Coordinating Council's 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

VALUES

Leadership, Communication, Teamwork, Customer Service, Integrity, Innovation



ENHANCING THE VISITOR EXPERIENCE & DEVELOPING THE RESORTS

Mount Buller and Mount Stirling generate an estimated economic contribution of \$261m p.a. to the neighbouring regions and Victoria.

The focus is on attracting visitors by leveraging our competitive strengths, and maximising yield from the current asset base (private and public). Winter is the driver of economic and financial outcomes. Snow-making investments have increased resilience to climate change and are important in supporting future opportunities. Growth in summer visitation remains an important focus.

VISITATION

Record snowfalls resulted in the number of Mount Buller visitors exceeding 400,000 for the first time, which was 21% above the ten-year average. This meant Mount Buller attracted 43% of all visits to the Victorian ski fields in 2017. Summer visitation remained similar to 2016, with biking, sightseeing and walking remaining the top reasons for visiting. The Targa High Country rally in November attracted approximately 360 competitors and over 500 spectators, while long weekends and Easter were the most popular periods outside winter.

Mount Stirling welcomed over 8,000 visitors in winter 2017, which was 45% above the ten-year average. Visitors continued to be attracted to an authentic alpine winter adventure supported by overnight huts and ski patrol services. Summer visitation was 5% higher than 2016, with strong demand from campers, sightseers and four wheel driving.

VISITOR SERVICES

The RMB and Buller Ski Lifts continued to partner in meeting, greeting and assisting visitors at resort entry, car parks, toboggan slopes and the Mount Buller Village. This remained an essential service, especially given the high number of people from culturally and linguistically diverse communities visiting for the first time.

A new, central Mount Buller booking service commenced during 2017, allowing visitors to complete almost all elements of their holiday booking through the one web site or just one phone call. This service is provided by Buller Holidays and processed a record number of bookings for Mount Buller businesses and lodges during 2017.

The Mount Stirling café continued to provide warmth, comfort and sustenance to visitors throughout winter and summer. The two roaring fires, hot soups and hot chocolates were winter favourites with cross country skiers, snow shoers, school groups and winter campers.

TRANSIT SERVICES

Transit services remained an essential service at Mount Buller, provided by Mansfield-Mount Buller Bus Lines (MMBL) under contract to the RMB. MMBL transported 596,151 passengers between the carparks and Village during 2017, and a further 218,981 around the Mount Buller Village itself, all free of charge to our visitors. This was approximately 17% more than in 2016. MMBL also taxied 99,774 visitors directly between their car and overnight accommodation, which was 15% more than the previous year.

SNOWMAKING

Snow is the key driver of visitation, which is why the RMB has a 50/50 partnership with Buller Ski Lifts to produce snow for the benefit of all visitors and stakeholders. This agreement splits all associated costs such as the provision of water, electricity to drive the pumps and snow guns, and depreciation of the extensive assets. The RMB contributed \$753k to the cost of snowmaking in 2017.



SKI PATROL

Buller Ski Lifts provided ski patrol services across Mount Buller as part of its long term lease of the ski area. Patrollers attended 1,680 incidents throughout 2017, with 10 requiring helicopter transfer to medical care.

The RMB continued to provide ski patrol services at Mount Stirling, with the invaluable assistance of the Mount Stirling Volunteer Ski Patrol Inc. who are an essential part of winter safety and operations. Patrollers attended to 17 accidents on Mount Stirling in 2017, and there was one tragic fatality of a lost bushwalker in December.

MARKETING

The RMB provided \$134k towards the alpine visitation campaign delivered by Snow Victoria, and a further \$1.7m was spent in promoting the resorts and encouraging visitors to stay for one or more nights. This generated over \$9m in PR exposure, 21% increase in Facebook followers, 26% increase in Instagram followers, and a record number of media familiarisations. There was a 25% increase in visits to the website and a 15% increase in page views per visit.

Many popular events were held throughout winter including Opening Weekend, Music and Marshmallows, Cattleman's Jam, Pond Skim, AFL Grand Final, and 80's Day. A new summer event was added to the calendar – the Oscar's 100 Hut2Hut trail run / trek with over 100 teams participating in raising money for autism services in the Mansfield and Melbourne metropolitan regions.

PRIVATE INVESTMENT

Planning permits with development values of approximately \$10m were supported by the RMB during 2017. The Department of Environment, Land, Water and Planning (DELWP) approved four of these in 2017 with an estimated construction value of \$3m. Projects with a construction cost of approximately \$3.5m were completed by private investors in 2017. Numerous smaller projects were undertaken by lessees, such as recladding and painting, that are exempt from planning permits.

COMBINED INVESTMENT

(\$000's)	2014	2015	2016	2017
Value of permits approved	2,086	800	27,800	2,948
RMB capital expenditure	3,265	2,631	2,595	2,132

LAND RELEASE

Strong demand over recent years has resulted in a limited amount of releasable land in and around the Mount Buller Village. Ministerial Approval in Principal was sought to release three sites in 2017. Pending Ministerial approval, these sites may be released to the market in 2018.



DELIVERING RESORT SERVICES & INFRASTRUCTURE

As a manager of public land, the RMB performs a wide range of functions including service delivery, land management, business & commercial development, and the replacement, maintenance & development of Mount Buller and Mount Stirling resort infrastructure. We recognise the different roles of public and private investment, the interactions and synergies between them and the important role of public investment in supporting private investment.

WATER

The RMB supplied safe drinking water to Mount Buller, Mirimbah and Telephone Box Junction at Mount Stirling. Drinking water was managed in accordance with the Safe Drinking Water Act 2003 and treated using combinations of filtration, chlorination and ultra-violet disinfection. 430 ML of water was transferred from Boggy Creek to the Burnt Hut Reservoir with 221ML used for potable water on Mount Buller and 209 ML transferred to Sun Valley Reservoir for snowmaking. Water quality was monitored in accordance with the resorts' Safe Drinking Water Risk Management Plan, which was independently audited in June 2016 and will be audited again in February 2018.

Two major water projects were completed in summer 2017:

- A \$90k upgrade to Mirimbah Water Treatment Plant (WTP) included a new settling tank, automated chlorine dosing system, remote monitoring & control and new pumps and pipework.
- A \$185k upgrade to the WTP for the Mount Buller Village, Koflers and Flakeside included a new building, new ultra-violet disinfection system and new WTP pumps and pipework.

WASTE COLLECTION & RECYCLING

The RMB continued to deliver its broad recycling program of composting organic material and minimising the amount of waste going to landfill. This was based on an effective relationship with waste contractors 4SITE Australia Pty Ltd and active involvement in the North-East Waste and Resource Recovery Group.

730 tonnes of waste and recyclable materials were collected in 2017 compared with 745 tonnes in 2016. Innovations introduced during 2017 included soft plastics waste diversion within RMB buildings and a "Don't waste Mount Stirling" education and waste separation program.

The 27% increase in visitor numbers resulted in the RMB collecting 303 tonnes of waste for landfill in 2017 compared with 289 tonnes in 2016.

SEWAGE

The RMB operated the sewage treatment plant on Mount Buller, septic systems at Mirimbah and Telephone Box Junction, and pit / tank toilets at various locations across Mount Stirling. This included a detailed monitoring program in accordance with Environmental Protection Authority requirements to preserve water quality in local streams. There were 8 non-compliance's in 2017 compared with 9 in 2016 mostly due to excessive quantities of storm water entering the sewage system. Half of the Mount Buller network was assessed for infiltration in 2017 and the highest priority defects addressed. This restorative program is continuing through 2018. Pit and tank toilets continued to be cleared annually on Mount Stirling.

ROADS & CAR PARKS

The long periods of heavy snowfall during winter 2017 created hazardous conditions on the way to, in and around the Mount Buller Village and Telephone Box Junction. RMB staff spent approximately 2,447 hours clearing roads, carparks, footpaths and stairs to keep the resorts as safe and accessible as possible in 2017, compared with 1,824 hours in 2016. While most of the heated footpaths performed well, several failed and will be repaired before winter 2018.

HEALTH SERVICES

The Mount Buller Medical Centre was open throughout the 2017 snow season, providing a broad range of services to visitors, residents and staff. It was operated by Churchill Drive P/L under contract to the RMB, with doctors & staff from the Mansfield Medical Clinic.

In addition to the services of the Medical Centre, Ambulance Victoria maintained an ambulance and officers on mountain, who assisted in serious incidents and ambulance transfers.

Regulatory services relating to building standards and food compliance across the mountain were carried out by the Mansfield Shire Council in accordance with the Public Health & Wellbeing Act 2008 and Food Act 1984, under contract to the RMB.





EMERGENCY MANAGEMENT

The RMB develops and manages the Mountains Emergency Management Plan and committee for Mount Buller and Mount Stirling. The plan was externally audited and approved in 2017, noting several areas for further improvement. The committee met three times in 2017 including representatives from Ambulance Victoria, Buller Gas, Buller Ski Lifts, Country Fire Authority, State Emergency Services, Department of Health and Human Services (DHHS), and DELWP. The plan was called into action three times during 2017, when there was a total power failure in July, and during two severe storm alerts.

LEASING

The RMB administers 183 leases on Mount Buller, with lessees paying a site rental to use Crown Land for accommodation, food & beverage, retail or recreational purposes. The RMB utilises the standard alpine lease which recognises lessee rights to improvements on leased land, and their ability to negotiate a new lease prior to expiry.

A total of 22 new leases were issued in 2017 compared with 5 in 2016. There were also 32 consents granted for transfers of sub-leases/shares, 8 consents for new subleases, 6 consents for mortgages of sub-leases/shares, and 2 head lease transfers.

COMPLIANCE WITH BUILDING & MAINTENANCE PROVISIONS OF THE BUILDING ACT 1993

In accordance with the provisions of Section 192 (1) of the Building Act 1993, the RMB carried 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.

SERVICES CHARGES

Service charges were levied on all leased sites in accordance with Section 13 of the *Alpine Resorts (Management) Act 1997*. Charges for 2017 were based on the 2016 Capital Improved Values (CIVs) issued by the Mansfield Shire Council. A service charge rate of 0.075% was applied to CIVs for 2017, compared with the 0.07615% that was applied to the 2014 CIVs in 2016.

BUILDING PARTNERSHIPS

The RMB believes that cooperation and respect are essential in managing and developing Mount Buller and Mount Stirling for all Victorians. This includes the wide range of on-mountain stakeholders as well as Traditional Owners, off-mountain communities & businesses, and local & state government departments.

STAKEHOLDER ENGAGEMENT

The confidence and trust of stakeholders in the RMB was badly damaged by the findings in the Ombudsman's report. The RMB started a concerted effort to rebuild trust, respect and cooperation in 2017 through a wide range of meetings, workshops, focus groups and conversations with its extensive range of stakeholders including:

- Alpine Resorts Coordinating Council
- Apartment owners
- Buller Ski Lifts P/L
- Business & commercial operators
- District communities
- Educational authorities & organisations
- Emergency services including Ski Patrol
- Environmental interest groups
- Industry groups
- Land and property developers
- Mansfield Shire Council
- Mount Buller Chamber of Commerce
- Mount Buller Ratepayers Association
- Neighbouring land management authorities
- Other Victorian alpine resorts
- Recreational groups
- Residents
- Ski clubs
- State Government of Victoria
- Stirling Experience
- The Taungurung people
- Tourism operators
- Visitors & guests

CLUB LODGE WORKING GROUP

Club lodges and their members have been instrumental to the growth & development on Mount Buller since the 1940's. A combination of economic and demographic factors have put pressure on many lodges and ski clubs in recent years, and the RMB continued to work closely with representatives in 2017 to develop and progress strategies to help preserve & grow this important sector.

MOUNTAIN ACCESS

A representative group of on and off-mountain stakeholders worked cooperatively with the RMB in 2017 to identify and agree strategies and actions aimed at addressing long standing issues affecting the ease and cost of visitors accessing Mount Buller and Mount Stirling. These strategies will guide RMB investment as they are progressively implemented over coming years.

MARKETING COORDINATION

The RMB, Buller Ski Lifts, Mount Buller Chamber of Commerce and Mount Buller Ratepayers Association believe cooperation is essential to effective and efficient marketing of the resort. Representatives continued their engagement in the Buller Marketing Coordination Group to promote the mountain in a cooperative manner, with consistent branding, messaging and call to action. The RMB also continued to partner with Buller Ski Lifts in ownership of the Mount Buller brand and website.

BULLER INTERSCHOOLS ASSOCIATION

This comprises representatives from Buller Ski Lifts, the RMB, Mount Buller Chamber of Commerce and Mount Buller Rate Payers Association. Buller Ski Lifts holds the contract for Mount Buller to host the Victorian Interschools Snowsports competition annually, and the National event on a biennial basis. The events themselves continued to be delivered by the Buller Interschools Association in 2017, with a record number of 5,868 entries in the Victorian championships and 3,343 in the Nationals.

BULLER ARTS ASSOCIATION

The RMB strengthened its relationship with the volunteers who form the Buller Arts Association during 2017, with the aim of building economically viable art and culture opportunities for visitors and residents to enjoy. Four exhibitions, spanning 17 weeks, were hosted during 2017, and a new Artist in Residence program announced in conjunction with the Victorian College of the Arts for the next three years.

MOUNT STIRLING STAKEHOLDER GROUP

There are approximately 17 commercial operators who provide recreational opportunities on Mount Stirling, along with other interested stakeholders including the Friends of Mount Stirling and the Victorian National Parks Association. The formal Mount Stirling Stakeholder Group worked actively with the RMB throughout the year and developed the Mount Stirling 2030 vision before putting it out for public comment. This is expected to guide the use and preservation of the mountain in coming years.

NATIONAL ALPINE MUSEUM

The RMB continued to support the National Alpine Museum of Australia, working with its volunteers and curator to grow and improve the museum located in the RMB's Alpine Central building for mountain visitors to enjoy.

SUMMER WORKING GROUP

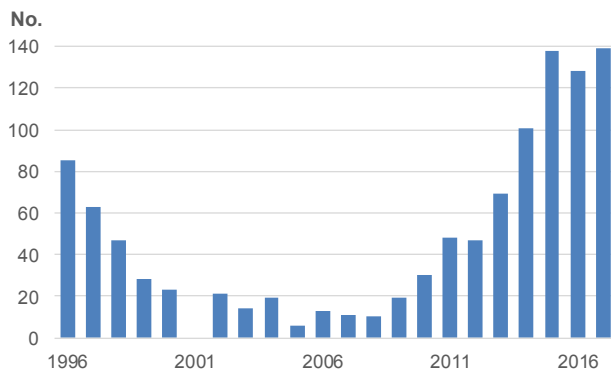
A broad group of summer focused stakeholders continued to work on strategies to encourage more Victorians to stay at Mount Buller during summer. These are expected to help increase summer visitation and overnight stays over time.

RESPECTING THE ALPINE ENVIRONMENT

The RMB recognises and values the significance of the alpine environments under its control. This requires a focus on climate variability and management of these natural environments.

MOUNTAIN PYGMY-POSSUM RECOVERY PLAN

The Mountain Pygmy-possum is an endangered species due to habitat degradation, predators and climate change across the Australian alps. After serious population declines were observed at Mount Buller from 2001 – 2003, the RMB implemented a recovery program in conjunction with Buller Ski Lifts. Recovery planning actions continued in 2017 with novel intra-site translocations and continued habitat rehabilitation and revegetation programs. Annual monitoring results were pleasing, with maintenance of the population at levels prior to when they were discovered on Mount Buller in 1996.



EDUCATION, COMMUNICATION & ENGAGEMENT

A representative group of on and off-mountain stakeholders worked cooperatively with the RMB in 2017 to identify and agree upon strategies and actions aimed at addressing long standing issues affecting the ease and cost of visitors accessing Mount Buller and Mount Stirling. These strategies will guide RMB investment as they are progressively implemented over coming years.

PEST PLANT CONTROL

Orange Hawkweed was monitored from October 2016 to June 2017 within an established quarantine area to restrict movement. Continued funding assistance from the Department of Economic Development, Jobs, Transport & Resources enabled a rigorous monitoring program which resulted in only one new plant being identified compared with two in the previous year. Waterway weeds continued to be targeted, Blackberries were sprayed on mountain trails, and Sycamores controlled in the upper reaches of the Delatite River at Mirimbah.

RE-VEGETATION AND REHABILITATION

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

NATIVE FLORA AND FAUNA

RMB staff continued to facilitate the catch & release of small mammals from village buildings using special traps designed to prevent injury. Snap traps and poison baits are discouraged. Monitoring of threatened species continued including the Mountain Pygmy-possum, Broad-toothed Rat, Alpine Stonefly, Alpine Bog-skink and Alpine Marsh Marigold.

ENERGY AND RESOURCE EFFICIENCY

The RMB continued to use solar powered webcams to broadcast real-time snow conditions at Mount Stirling, and solar powered lighting at Chain Bay 3 on Mount Buller. A new micro-hydro facility was constructed at Telephone Box Junction and now provides renewable energy for all of its visitor facilities including ski patrol, ski hire, ski school, visitor amenities, café and office.

PEST ANIMAL CONTROL

The RMB's pest animal control program continued including baiting, shooting, trapping, and electronic monitoring. Foxes are now uncommon within the Resort and feral cat numbers are reducing. Rabbits continue to be targeted from spring to autumn.



BROADENING ACCESS OPPORTUNITIES

The *Alpine Resorts (Management) Act 1997* requires the RMB to promote and foster accessibility, regardless of an individual's ability levels or financial resources. Mount Buller and Mount Stirling are only three hours' drive from Melbourne, which provides a great opportunity to encourage visitation from a broader cross-section of its ethnically diverse population of 4.5 million people.

EDUCATION

Parents were assisted in living and working on-mountain throughout winter through the continued availability of three schooling options. Mansfield Primary School taught 46 primary school students in its Mount Buller Annexe in 2017, Mansfield Secondary College educated 21 secondary students, and Mount Buller Education P/L provided its tutor based education to 37 students. These all operated from the RMB's Alpine Central building.

SCHOOLS

Many schools from across Victoria chose to visit Mount Buller and Mount Stirling during 2017 to train and compete in the Interschools Championships, as part of an annual snow trip, or to experience and learn about alpine environments while camping within the snow in conjunction with Stirling Experience.

DISABLED WINTERSPORTS AUSTRALIA

Disabled Wintersports Australia (DWA) is a member-based organisation that helps people with disabilities to participate in snow sports. The RMB continued to partner with Buller Ski Lifts and DWA in 2017, which resulted in more people with disabilities being able to ski, board or snow play at Mount Buller during the year.

CULTURALLY & LINGUISTICALLY DIVERSE COMMUNITIES

There continues to be anecdotal evidence of ongoing growth in visitors from households that speak a language other than English as their first language.

This was particularly evident early in the season when there was strong interest from ethnically diverse people coming to see and play in the snow for the first time. The RMB undertook research into this market during 2017, which will help inform strategies to help attract and satisfy the needs of this growing market.

The RMB participated in the annual Springvale Snowfest, which was attended by approximately 40,000 people from a range of cultures and backgrounds. Snowfest is an opportunity to introduce young people and families to snow and encourage them to visit Mount Buller and Mount Stirling.



REGULATORY REFORM

Alpine resorts operate within a highly regulated framework, and the RMB needs to continually monitor, assess and update its policies and processes to ensure compliance in all areas of its responsibility.

OMBUDSMAN'S REVIEW

In March 2017 the Victorian Ombudsman released its *Investigation into allegations of improper conduct by officers at the Mount Buller and Mount Stirling Resort Management Board*. This resulted in the Chair, CEO and Development & Operations Manager leaving the organisation and a number of recommendations being issued. The Board implemented most of the recommendations throughout the second half of 2017, and will complete this process in 2018.

POLICIES

The Ombudsman's report identified a number of weaknesses regarding organisational policies and procedures. A subsequent review by the Risk, Audit and Finance Committee identified the need for 51 policies to be reviewed, revised or created, with 16 high priority policies either completed or underway by the end of 2017. The remainder will be finalised in the first half of 2018 and all policies will then be reviewed on a cyclical basis.

LEASE RENEWALS

Following the Ombudsman's report, the Minister for Energy, Environment & Climate Change requested a review of all leases that were underway to ensure they meet all probity tests. The RMB undertook a complete review of its leasing processes compared with the Alpine Resorts Leasing Policy 2002 as a result, and implemented mechanisms to ensure compliance, reduce subjectivity and improve transparency.

PLANNING

The RMB submitted its 2017 Corporate Plan as required under Section 53 of the Act. This plan was prepared within the context of the RMB's Strategic Management Plan 2018, which is based on the key strategies of the Alpine Resorts Coordinating Council's Alpine Resorts Strategic Plan 2012. The conceptual Mount Buller Resort Master Plan 2012-17 continued to guide improvements and development over the long term, such as a new 100ML water storage facility to provide a secure supply of potable water and additional water for snowmaking.



ORGANISATIONAL STRUCTURE

Board Members are appointed by the Minister for Energy, Environment and Climate Change based on the administrative, managerial, financial, environmental, legal, sporting and tourism skills necessary to oversee the running of the resorts. Board Members for the period 1 January to 31 December 2017 were appointed for a two year period from 1 January 2016 to 31 December 2017.

BOARD OF DIRECTORS

Dr Jacqueline Jennings (Chairman)
From January 2016

Jacqueline has extensive senior executive experience in sales, marketing, business development, strategy, and financial management. She is a non-executive independent director at the Australian Scholarships Group Pty Ltd, where she is chair of the Investment Committee and a member of the Risk Committee and Education Advisory Panel. Jacqueline also has experience as a director of Peoplecare Health Insurance, and was a member of the Finance and Risk Committee within that Board, and a director of the non-health fund subsidiary of that company.

Andrew Evans
From June 2013

Andrew is Founder and Managing Director of Real Estate Development Corporation Pty Ltd, Founder and joint Managing Director of Canopi Homes Pty. Ltd., Co-Founder of Global Pipe Pty. Ltd, Co-Founder of National Embedded Networks Pty. Ltd., a Director of Futurefish Foundation and a member of the Victorian Planning and Environmental Law Association. He has a 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. He has a passion for environmental causes and is a keen skier.

Michelle Croughan
From January 2016

Michelle is an experienced local and State government planner and was previously Manager of Alpine Planning for the State Government. She is a consultant to the Municipal Association of Victoria, Graduate Member of the Australian Institute of Company Directors, and a member of the Victorian Coastal Council. She holds an Honours Degree in Planning and Design at Melbourne University and a Diploma in Business Management at RMIT.

Ian Maxfield
From January 2016

Ian is a former Member of Parliament and Chair of the Parliamentary Task Force investigating cattle grazing in Alpine National Parks and was previously Manager of Corporate Services at Mt Baw Baw Alpine Resort. He is also a Director on the Board of Quantum Support Services.

Zita Peach
From January 2016

Zita has extensive experience as a Non-Executive Director. She is currently a non-executive Director with Starpharma Holdings Ltd, Monash IVF Group Ltd, Pacific Smiles Group Ltd, Airxpanders Inc, Visioneering Technologies Inc and Hudson Institute of Medical Research. Zita has extensive experience across the Asia Pacific region, in growing companies from start up through to large multinational status, and international experience in marketing, sales and conducting major business transactions in multiple markets across the globe. She has previously been Vice President of Business Development at CSL Limited, Executive Vice President of Asia Pacific and Managing Director Australia, New Zealand at Fresenius Kabi.

Chris Pattas
From January 2016

Chris has 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. He also has broad industry knowledge and business improvement experience with Software, Information Technology, Telecommunications, Communication, Media, Advertising, Health, Water, Government, SMB, Tourism, Travel and eCommerce organisations, and non-executive Board experience within the health, water and local government sectors. He is an experienced presenter on a range of technology, sales and marketing topics, and holds an Engineering degree (with honours) and an MBA from the University of Melbourne.

Outgoing Board Members

Jennifer Hutchison October 2011 - April 2017

BOARD COMMITTEES

Risk Audit and Finance Committee

Zita Peach (Chair), Jacqueline Jennings, Ian Maxfield

The Risk, Audit and Finance Committee (RAFC) was responsible for overseeing financial performance, the quality and effectiveness of RMB accounting, management reporting, policies and procedures, and compliance with the Financial Directions as issued by the Minister for Finance. It also oversaw the identification, assessment and management of risk, and the scope and performance of external and internal auditors. It was responsible for 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.

Water Storage Project Committee

Andrew Evans, Michelle Croughan

The Water Storage Project Committee was responsible for overseeing the planning, approvals, design, development and construction of a new water storage facility for potable and snowmaking water at Mount Buller.

Remuneration Committee

Jacqueline Jennings (Chair), Andrew Evans, Ian Maxfield

The Remuneration Committee was responsible for providing recommendations to the Board regarding CEO remuneration and performance and ensuring that staff remuneration and policies are consistent with Victorian Government standards.

Governance Committee

Chris Pattas (Chair), Michelle Croughan

The Governance Committee was responsible for assisting the Board to understand its governance responsibilities and providing a reference point for discussion, debate and assistance in the application of best practice.

Climate Change Adaptation Committee

Zita Peach (Chair), Jacqueline Jennings, Chris Pattas

The Climate Change Adaptation Committee was established in 2016 to assist the Board in reviewing and reporting its climate change strategies to the Victorian Government. It did not need to meet throughout 2017.

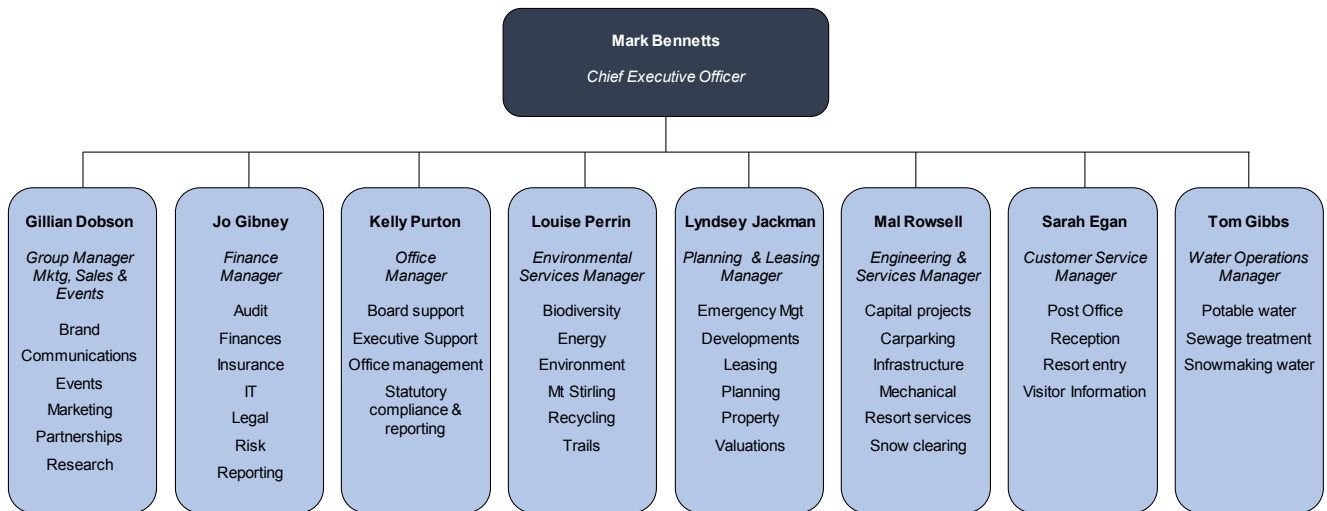


BOARD MEETING ATTENDANCE

	Jacqueline Jennings	Andy Evans	Zita Peach	Michelle Croughan	Ian Maxfield	Chris Pattas	Jennifer Hutchison
Board	9/9	9/9	9/9	9/9	9/9	7/9	2/2
Risk, Audit & Finance	5/5	n/a	4/5	n/a	5/5	n/a	1/1
Governance Committee	n/a	n/a	n/a	-	n/a	-	n/a
Remuneration Committee	16/16	16/16	n/a	n/a	16/16	n/a	n/a
Water Storage Project	n/a	52/52	n/a	52/52	n/a	n/a	n/a

ORGANISATIONAL STRUCTURE

The previous CEO and the Development & Operations Manager resigned in April 2017, and the Chief Financial Officer in November 2017. Neither of these later two positions were replaced, and their responsibilities were absorbed by others. The HR Manager resigned in July 2017 and this function was subsequently outsourced to provide the required expertise on a needs basis. A long term organisational structure was being developed at the end of 2017 for implementation in 2018.



TRAINING AND DEVELOPMENT

Staff are required to complete mandatory training as part of their specific position, such as first aid, emergency management, manual handling, chemical handling, authorised officer training and snowmobile licensing. Team members are also encouraged and supported to undertake further professional training such as CPA. A number of staff also sit on Boards or committees including the Buller Arts Association, Buller Interschools Association, North-East Waste and Resource Recovery Group, Indi Telecommunications Advisory Group, and Tourism North East.

WORK, HEALTH AND SAFETY

The RMB is responsible for providing a safe working and recreational environment for all staff, contractors and members of the public. All staff are responsible for complying with organisational policies and ensuring they follow safe work practices and standard operating procedures.

INDUSTRIAL RELATIONS

From June 2017, all RMB staff were employed under the Mount Buller Mount Stirling Resort Management Enterprise Agreement 2015-19, and the CEO was employed under a standard GSERP (Government Senior Executive Remuneration Panel) contract approved by the Victorian Government.



WORKFORCE DATA

The RMB is an equal opportunity employer and encourages applications from all suitably qualified and eligible candidates.

	During 2016					During 2017				
	Total Employees	Full Time	Perm. Part Time	Season / Casual Staff	Total FTE	Total Employees	Full Time	Perm. Part Time	Season / Casual Staff	Total FTE
GENDER										
Male	56	22	-	34	26.0	59	21	-	38	26.5
Female	36	13	5	18	18.2	49	13	6	30	19.9
AGE										
15-24	8	1	-	7	1.7	10	1	-	9	1.8
25-34	15	9	1	5	10.1	25	13	1	11	12.8
35-44	17	8	1	8	8.8	13	5	1	7	6.8
45-54	19	10	1	8	12.5	25	11	2	12	12.4
55-64	25	7	2	16	9.5	26	4	2	20	10.3
65+	8	-	-	8	1.5	9	-	-	9	2.3
BAND										
1	-	-	-	-	-	3	-	-	3	0.2
2	22	-	-	22	3.2	46	-	-	16	7.4
3	15	3	-	12	4.8	14	3	-	11	5.6
4	28	10	1	17	14.1	17	10	1	6	11.4
5	7	5	2	-	7.6	8	6	1	1	6.7
6	5	2	2	1	3.8	6	3	2	1	4.4
7A	8	8	-	-	6.6	7	5	2	-	5.6
7B	5	5	-	-	2.7	4	4	-	-	3.8
GSERP	2	2	-	-	2.0	3	3	-	-	1.2



COMPLIANCE

INFORMATION & COMMUNICATIONS

For the 2017 reporting period Mount Buller Mount Stirling had a total Information & Communications Technology expenditure of \$218,000:

BAU expenditure	Non-BAU expenditure to create or enhance ICT capabilities		
	Total	Operational	Capital
\$209,000	\$9,000	\$0	\$9,000

DATA VIC ACCESS POLICY

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, any data tables produced by the RMB will be available at www.data.vic.gov.au in machine readable format.

PUBLIC ADMINISTRATION ACT

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. The RMB has advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

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.

PROTECTED DISCLOSURES ACT

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. Mount Buller Mount 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 Mount Buller Mount Stirling Resort Management or its Board members, officers or employees by contacting IBAC on the contact details provided below. Please note that Mount Buller Mount Stirling Resort Management is not able to receive protected disclosures.

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

Mount Buller Mount Stirling Resort Management has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about Mount Buller Mount Stirling Resort Management or its employees. You can access Mount Buller Mount 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.

GOVERNMENT FUNDING

The RMB acknowledges the following Victorian Government investment in Mount Buller & Mount Stirling during 2017:

- \$30,000 – Department of Environment, Land, Water and Planning (DELWP) funding towards the Alpine Risk Mitigation Program Actual
- \$40,000 – Department of Economic Development, Jobs, Transport & Resources funding towards Telephone Box Junction Hub Development
- \$5,000 – Sustainability Victoria funding for Litter Innovation
- \$49,900 – in capital contributions from Department of Economic Development, Jobs, Transport and Resources

CONSULTANCIES

There were 8 consultancies that were less than \$10,000 totalling \$15,989 during 2017. There were 8 consultants engaged

(\$000's excl. GST)	Consultancy	Approved project fee	2017 expenditure	Future committed expenditure
Aither Pty Ltd	Sustainable Water Security	14	14	Nil
Alison McCaig Consulting	Corporate Governance	45	45	Nil
Biosis Research	Environmental Analysis	99	99	Nil
Department of the Environment & Energy	Sustainable Water Security	32	32	Nil
Environmental Resources Management Australia Pty Ltd	Sustainable Water Security	144	144	Nil
GHD Pty Ltd	Sustainable Water Security	39	39	Nil
Inspiring Place Pty Ltd	Summer Development Plan	26	26	Nil
Sunreal Renewable Energy Systems	Mt Stirling Hydro Project	127	127	Nil

where total remuneration was greater than \$10,000 as shown below:

GOVERNMENT ADVERTISING EXPENDITURE

Government policy requires disclosure of all Government Advertising Expenditure with a total media buy greater than \$150,000 (excl. GST). The RMB undertook no such advertising during 2017.

MAJOR CONTRACTS

There were no contracts greater than \$1 million entered into during 2017.

VICTORIAN INDUSTRY PARTICIPATION POLICY

The Victorian Industry Participation Policy Act 2003 requires public bodies & departments in regional Victoria to comply with the policy in all tenders over \$1 million. The RMB did not commence any tenders or enter any contracts worth over \$1 million during 2017.

MAJOR CHANGES AFFECTING PERFORMANCE

The RMB received \$74,000 in Grant Funding during 2017 compared to \$219,000 in 2016, and nil for the right to develop Crown land compared to \$293,000 in 2016. Gate entry revenue was higher in 2017 due to strong visitation. Operating expenditure was also higher primarily due to:

- A new snowmaking agreement with BSL;
- Increased costs due to strong visitation;
- Costs related to the Ombudsman's findings;
- A CPI increase in salaries and wages.

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, which was the Finance Manager during 2017. 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
Mt Buller & Mt Stirling Alpine Resort Management Board
Post Office Mount Buller, VIC 3723

In 2017, there were two requests for the RMB to provide information under the Freedom of Information Act 1982.

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.

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.

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.

SUBSEQUENT EVENTS

There have been no events subsequent to the year that significantly impact on operations in future years.

ATTESTATION OF COMPLIANCE WITH SD 3.7.1 – VICTORIAN GOVERNMENT RISK MANAGEMENT FRAMEWORK

I, Jacqueline Jennings, certify that the Mount Buller and Mount Stirling Alpine Resort Management Board has complied with the Ministerial Standing Direction 3.7.1 – Risk management framework and processes. The Mount Buller and Mount Stirling Alpine Resort Management Board's Risk, Audit and Finance Committee has verified this.



Dr Jacqueline Jennings

21 February 2018

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.

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.

STAFF BONUSES

No bonuses were paid to staff during 2017.

ATTESTATION OF COMPLIANCE WITH VICTORIAN PUBLIC SECTOR TRAVEL PRINCIPLES

I, Jacqueline Jennings, certify that the Mount Buller and Mount Stirling Alpine Resort Management Board has complied with the Victorian Public Sector Travel Principles.



Dr Jacqueline Jennings

9 April 2018

DISCLOSURE INDEX

The annual report of Mount Buller and Mount Stirling Alpine Resort Management Board is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Mount Buller and Mount Stirling Alpine Resort Management Board's compliance with statutory disclosure requirements.

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FRD 22H	Organisational structure	15
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FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	19
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FRD 22H	Details of consultancies under \$10 000	20
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SD 5.2.1(a)	Compliance with Ministerial Directions	23
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Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 9A	Departmental Disclosure of Administered Assets and Liabilities by Activity	41
FRD 11A	Disclosure of Ex gratia Expenses	n/a
FRD 13	Disclosure of Parliamentary Appropriations	n/a
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	47
FRD 103F	Non-Financial Physical Assets	43
FRD 110A	Cash Flow Statements	26
FRD 112D	Defined Benefit Superannuation Obligations	31
Note:		
(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.		
Legislation		
<i>Freedom of Information Act 1982</i>		
<i>Building Act 1993</i>		
<i>Protected Disclosure Act 2012</i>		
<i>Carers Recognition Act 2012</i>		
<i>Victorian Industry Participation Policy Act 2003</i>		
<i>Financial Management Act 1994</i>		

FINANCIAL STATEMENTS

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 Direction 5.2 of the Standing Directions of the Minister of Finance, under the applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

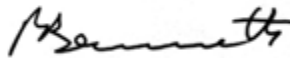
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 31 December 2017 and financial position of the Mount Buller and Mount Stirling Alpine Resort Management Board at 31 December 2017.

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 21 February 2018.



Jacqueline Jennings
Chairperson



Mark Bennetts
Chief Executive Officer



Jo Gibney
Finance Manager

21 February 2018.

Comprehensive Operating Statement - for the financial year ended 31 December 2017

(\$000's)	Notes	2017	2016*
Continuing Operations			
Income from transactions			
Gate entry	2	5,930	5,044
Site rental	2	4,189	4,518
Service charges	2	3,841	4,362
Service charge – infrastructure fee	2	117	175
Marketing revenue		210	294
Taxi transport commission		144	116
Government grants	2	74	219
Sale of rights to lease and develop Crown land	2	-	293
Interest income	2	74	95
Other income	2	504	473
Total income from transactions		15,083	15,589
Expenses from transactions			
Village operations		4,713	4,368
Visitor services		2,739	2,533
Administration and corporate services		3,283	3,635
Land management and environmental services		1,311	1,738
Health services		259	257
Marketing		1,632	2,025
ARCC contributions		472	601
Interest expense	6.1	51	84
Total expenses from transactions		14,460	15,241
Net result from transactions (net operating balance)		623	348
Other economic flows included in net result			
Net gain/(loss) on other non-financial assets	8.1	(790)	23
Total other economic flows included in net result		(790)	23
Net result		(167)	371
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.2	31,209	-
Total other economic flows – other comprehensive income		31,209	-
Comprehensive result		31,042	371

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

* 2016 includes 14 months from November 2015 to December 2016

Balance Sheet - as at 31 December 2017

(\$000's)	Notes	2017	2016*
Assets			
Financial Assets			
Cash and deposits	6.2	4,597	4,406
Receivables	5.1	1,521	1,522
Total Financial Assets		6,118	5,928
Non-Financial Assets			
Inventories	5.3	23	26
Intangibles	4.2	7	7
Prepayments	5.4	352	411
Infrastructure, property, plant and equipment	4.1	196,327	165,752
Total Non-Financial Assets		196,709	166,196
Total Assets		202,827	172,124
Liabilities			
Payables	5.2	1,057	923
Borrowings	6.1	976	1,225
Employee Benefit Provisions	3.1.2	593	714
Other liabilities	5.5	57	209
Total Liabilities		2,683	3,071
Net Assets		200,144	169,053
Equity			
Contribution by Owner		137,488	137,439
Accumulated Surplus		8,854	9,021
Physical Asset revaluation surplus	8.2	53,802	22,593
Net Worth		200,144	169,053
Commitments for expenditure	6.3		
Contingent assets and contingent liabilities	7.2		

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

* 2016 includes 14 months from November 2015 to December 2016

Statement of Changes in Equity - for the financial year ended 31 December 2017

(\$000's)	Physical asset revaluation surplus	Accumulated Surplus	Contributions by Owner	Total
Balance at 1 November 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
Net result for the period	-	(167)	-	(167)
Other comprehensive income for the year	31,209	-	-	31,209
Transactions with owner in the capacity as owner	-	-	49	49
Balance at 31 December 2017	53,802	8,854	137,488	200,144

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

* 2016 includes 14 months from November 2015 to December 2016

Cash Flow Statement - for the financial year ended 31 December 2017

(\$000's)	Notes	2017	2016*
Cash Flows from operating activities			
Receipts from customers		15,775	15,855
Receipts from government		171	301
Interest received		74	95
Total receipts		16,020	16,251
Payments			
Payments to suppliers and employees		(13,388)	(13,488)
Interest and other costs of finance paid		(51)	(84)
Goods and Services Tax paid to the ATO		(145)	(80)
Total payments		(13,584)	(13,652)
Net Cash Flow from / (used in) operating activities	6.2.1	2,436	2,599
Cash flows from investing activities			
Payments for infrastructure, property, plant and equipment		(2,176)	(2,712)
Proceeds from sale of property, plant and equipment		130	130
Proceeds from sale of Asset Held for Sale		-	90
Net cash from / (used in) investing activities		(2,046)	(2,492)
Cash Flows from financing activities			
Repayment of borrowings		(249)	(343)
Contributions by State Government		50	149
Net cash from / (used in) financing activities		(199)	(194)
Net increase / (decrease) in cash and cash equivalents		191	(87)
Cash and cash equivalents at the beginning of the financial year		4,406	4,493
Cash and deposits at the end of the financial year	6.2	4,597	4,406

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

** 2016 includes 14 months from November 2015 to December 2016*

Notes to the Financial Statements

For the financial year ended 31 December 2017

1. ABOUT THIS REPORT

The Mount Buller and Mount Stirling Alpine Resort Management Board (RMB) is constituted under the *Alpine Resorts (Management) Act 1997*. The RMB is a public body acting on behalf of the Crown, and reporting to the Department of Environment, Land, Water and Planning.

Its principal address is:

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

These annual financial statements represent the audited general purpose financial statements for the Mount Buller and Mount Stirling Alpine Resort Management Board for the year ending 31 December 2017. A description of the nature of its operations and its principal activities is included in the Annual Report, which does not form part of these financial statements.

The reporting period covered in the financial statements is 1 January 2017 to 31 December 2017. In 2016 there was 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 12 months against a 14 month comparative.

Basis of preparation

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

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

Consistent with the 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 to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed.

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

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

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

Amounts in the financial statements have been rounded to the nearest \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Refer to Note 8.10 for a style convention guide and explanation of minor discrepancies resulting from rounding.

Compliance Information

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.

2. FUNDING DELIVERY OF OUR SERVICES

2.1 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.

Gate entry

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

Sale of right to release and develop Crown land

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

Government 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).

Other Income

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

2.1.1 Leases

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.

Crown land – Site rental

Crown Land is recorded in the accounts of the RMB at the Value General for Victoria 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.

2.1 Income from transactions (continued)

(\$000's)	2017	2016
Non-cancellable operating lease income		
Site rent	4,189	4,518
Gas income	77	70
Total	4,266	4,588
Non-cancellable operating lease receivables		
Not longer than 1 year	3,987	3,824
Longer than 1 year and less than 5	13,059	12,744
Longer than 5 years	59,483	60,237
Total	76,529	76,805

3. EXPENSES INCURRED IN DELIVERY OF SERVICES

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

3.1.1 Employee benefits in the comprehensive operating statement

(\$000's)	2017	2016
Superannuation expense	353	374
Salaries, wages, annual leave and long service leave	4,007	4,120
Other employee benefits	3	94
Termination benefits	140	188
Total employee expenses	4,503	4,776

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums. The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) discloses in its annual financial statements 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.

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.

3. EXPENSES INCURRED IN DELIVERY OF SERVICES

3.1.2 Employee benefits in the balance sheet

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

(\$000's)	2017	2016
Current provisions		
<i>Annual Leave</i>		
Unconditional and expected to settle within 12 months	132	170
Unconditional and expected to settle after 12 months	13	35
<i>Long Service Leave entitlements</i>		
Unconditional and expected to settle within 12 months	14	15
Unconditional and expected to settle after 12 months	282	297
<i>Other Employee Benefits</i>		
Accrued day off (ADO) entitlements	7	9
Total	448	526
<i>Provision for on-costs</i>		
Unconditional and expected to settle within 12 months	9	11
Unconditional and expected to settle after 12 months	18	20
Total	27	31
Total current provisions for employee benefits	475	557
Non-current provisions		
<i>Employee benefits</i>		
Conditional long service leave entitlements	114	148
On-costs	4	9
Total non-current provisions for employee benefits	118	157
Total provision for employee benefits	593	714
Employee benefits and on-costs		
Current Employee Benefits		
<i>Annual Leave</i>	145	205
<i>Long Service Leave</i>	296	312
<i>Accrued day off (ADO) entitlements</i>	7	9
Non-Current Employee Benefits		
<i>Long Service Leave</i>	114	148
Total Employee Benefits	562	674
<i>Current on-costs</i>	27	31
<i>Non-Current on-costs</i>	4	9
Total on-costs	31	40
Total Employee benefits and on-costs	593	714

3. EXPENSES INCURRED IN DELIVERY OF SERVICES

3.1.2 Employee benefits in the balance sheet (continued)

Reconciliation of movement in on-cost provision

(\$000's)	2017
Opening Balance	40
Additional provisions recognised	16
Reductions from payments/other sacrifices of future economic benefits	(25)
Reductions from re-measurement or settlement without cost	-
Unwind of discount and effect in the discount rate	-
Closing Balance	31
Current	27
Non-current	4
Total	31

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the RMB does not have an unconditional right to defer settlements of these liabilities. The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the RMB expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the RMB does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

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

Long service leave: 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. Liability for long service leave (LSL) is recognised in the provision for employee benefits. **Unconditional LSL** is disclosed 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. The components of this current LSL liability 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.

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 as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the net result as an 'other economic flow'.

3. EXPENSES INCURRED IN DELIVERY OF SERVICES

3.1.3 Superannuation contributions

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(s) 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.

3. EXPENSES INCURRED IN DELIVERY OF SERVICES

3.1.3 Superannuation contributions (continued)

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

(\$000's)	Paid contribution for the year		Contribution outstanding at year end	
	2017	2016	2017	2016
Defined Benefit				
Emergency Services and State Super	-	12	-	-
Defined Contribution				
Vic Super	67	79	2	3
Aust Retirement Fund	57	44	4	4
First Super	35	47	3	3
Host Plus Superannuation	59	90	5	5
SunSuper Superannuation Fund	7	25	-	2
Other	128	77	14	7
Total	353	374	28	24

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.1 Total, Infrastructure, Property, Plant & Equipment

(\$000's)	2017	2016
<i>Land</i>		
Land at Fair Value – Mount Buller - Village	92,318	78,375
Land at Fair Value – Mount Buller - Other	3,647	3,548
Land under Roads at Fair Value – Mount Buller	7,020	25,525
Land at Fair Value – Mount Stirling	3,132	3,240
Total Land at Fair Value	106,117	110,688
<i>Buildings</i>		
Buildings at Fair Value	22,752	18,665
Less Accumulated Depreciation	-	(2,810)
Total of Buildings at Fair Value	22,752	15,855
<i>Infrastructure Assets</i>		
Infrastructure Assets at Fair Value	62,501	38,044
Less Accumulated Depreciation	-	(4,265)
Total of Infrastructure Assets at Fair Value	62,501	33,779
<i>Plant, equipment and motor vehicles</i>		
Plant, equipment and motor vehicles at fair value	5,872	5,381
Less Accumulated Depreciation	(3,784)	(3,411)
Total of Plant, equipment and motor vehicles at Fair Value	2,088	1,970
Art work at Fair Value	147	337
Capital Work in Progress at Cost	2,722	3,123
Total Infrastructure, Property, Plant and Equipment	196,327	165,752

Initial recognition: 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 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.

Subsequent measurement: All non-financial physical assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on an asset, public announcements or commitments made in relation to the intended use of the asset). Refer to note 7.3 for fair value disclosures.

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.1.1 Depreciation

(\$000's)	2017	2016
Buildings	592	694
Infrastructure Assets	976	1,078
Plant, equipment and motor vehicles	467	502
Total depreciation	2,035	2,274

All infrastructure assets, buildings, and plant, equipment and motor vehicles (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
- Infrastructure assets 2 to 100 years
- Plant, equipment and motor vehicles 3 to 20 years

Impairment: 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.

4.1.2 Reconciliation of movements in carrying amount of infrastructure, property, plant and equipment

(\$000's)	Land (fair value)	Buildings (fair value)	Infra- structure assets (fair value)	Plant, equipment & vehicles (fair value)	Art Works (fair value)	CWIP (at cost)	Total
2016							
Opening balance	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	1,970	337	3,123	165,752
2017							
Opening balance	110,688	15,855	33,779	1,970	337	3,123	165,752
Additions	-	71	1,097	625	-	530	2,323
Disposals	-	-	(94)	(40)	-	-	(134)
Impairment	-	-	-	-	-	(598)	(598)
Depreciation	-	(592)	(976)	(467)	-	-	(2,035)
Transfers	-	-	333	-	-	(333)	-
Revaluations	(4,571)	7,418	28,362	-	(190)	-	31,019
Closing net book value	106,117	22,752	62,501	2,088	147	2,722	196,327

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.2 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.

(\$000's)	2017	2016
Intangible Assets (non-current)	7	7
Total Other non-financial assets	7	7

5. OTHER ASSETS AND LIABILITIES

5.1 Receivables

(\$000's)	2017	2016
Current		
Sale of good and services	1,376	1,386
Accrued Investment Income	6	7
Other receivables	-	20
Total	1,382	1,413
Statutory – GST input tax recoverable	139	109
Total current receivables	1,521	1,522

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction cost. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are classified as financial instruments. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Doubtful debts: Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods and services when there is objective evidence that the individual receivable is impaired. The increase in the provision for the year is recognised in the net result. 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*. 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.

5. OTHER ASSETS AND LIABILITIES

Ageing analysis of receivables

(\$000's)	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	36	1	-
2017	1,382	1,342	-	4	35	1	-

The carrying value of debtors at 31 December 2017 approximates fair value. A provision of nil (2016: 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 2017 was 9.5% per annum. (2016: 9.5%)

5.2 Payables

(\$000's)	2017	2016
Contractual		
Supplies and services	293	408
Accrued expenses	599	414
Other payables	67	-
Total	959	822
Statutory		
FBT payable	21	16
Other tax payable	77	85
Total	98	101
Total payables	1,057	923

Payables consist of:

- **contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid. All Contracted Payables are non-interest bearing. The carrying amount of creditors at the end of the reporting period approximates fair value.**
- **statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.**

Maturity analysis of contractual payables

(\$000's)	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1-3 months	3 months – 1 year	1 – 5 years	More than 5 years
2016	822	822	-	822	-	-	-
2017	959	959	-	959	-	-	-

5.3 Inventories

(\$000's)	2017	2016
Consumables	23	26
Total Inventories	23	26

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.

5.4 Prepayments

(\$000's)	2017	2016
Prepayments (current)	352	411
Total Prepayments	352	411

Other non-financial assets include prepayments, which represent part of expenditure for goods and services made in one accounting period covering a term extending beyond that period.

5. OTHER ASSETS AND LIABILITIES

5.5 Other Liabilities

(\$000's)	2017	2016
Deferred revenue - current	57	209
Total Other Liabilities	57	209

Other liabilities is made up of unearned revenue which includes funding received for the 2018 year and Site Rent paid in advance.

6. HOW WE FINANCED OUR OPERATIONS

6.1 Borrowings

(\$000's)	2017	2016
Current		
Interest bearing loan – TCV (i)	-	82
Interest bearing loan – La Trobe University (ii)	212	211
Total	212	293
Non-Current		
Interest bearing loan – La Trobe University (ii)	764	932
Total	764	932
Total Borrowings	976	1,225

'Borrowings' refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria and other interest bearing arrangements. Borrowings are classified as financial instruments. All interest bearing liabilities are initially recognised at the fair value of the consideration received; less directly attributable transaction costs. RMB has categorised its interest bearing liabilities as financial liabilities at '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.

RMB Borrowings were made up of:

- (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 was unsecured and the final repayment was made in June 2017.
- (ii) An interest bearing loan that relates 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. Interest is fixed at a rate of 5.221%, repayments are made annually over 15 years.

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

Maturity analysis of borrowings

(\$000's)	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1-3 months	3 months – 1 year	1 – 5 years	More than 5 years
2016	1,225	1,225	-	58	234	726	206
2017	976	976	-	44	168	764	-

Interest expenses

(\$000's)	2017	2016
Interest expense	51	84
Total interest expenses	51	84

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

6. HOW WE FINANCED OUR OPERATIONS

6.2 Cash flow information

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. 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*.

Reconciliation of cash and cash equivalents

(\$000's)	2017	2016
Cash at bank and on hand	529	438
Short-term Deposits	4,068	3,968
Balance as per cash flow statement	4,597	4,406

The RMB does not have access to a bank overdraft as at 31 December 2017.

Included in these cash balances are amounts set aside for use as the RMB's Snow Drought Fund of \$600,000 (2016: \$600,000), Debt Repayment Fund of \$350,000 (2016: \$350,000) and Capital Improvement Fund of \$3,000,000 (2016: \$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.

6.2.1 Reconciliation of net result for the period to net cash flows from operating activities

(\$000's)	2017	2016
From Operating Activities to operating Profit	(167)	371
Operating Profit/(Loss)		
Non-cash movements:		
Depreciation	2,035	2,263
Net (Profit) / Loss on Sale of Fixed Assets	2	(23)
Impairment of Non-current assets	598	50
Loss on revaluation of Artworks	190	-
Movements in assets and liabilities:		
Decrease / (Increase) in Trade and Other Debtors	1	(423)
Decrease / (Increase) in Inventories	3	8
Decrease / (Increase) in Other Current Assets	59	(9)
Increase / (Decrease) in Payables	(12)	313
Increase / (Decrease) in Current Provisions	(85)	23
Increase / (Decrease) in Non-Current Provisions	(36)	(7)
Increase / (Decrease) in Unearned Revenue	(152)	33
Net cash flows from / used in) operating activities	2,436	2,599

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed 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.

6. HOW WE FINANCED OUR OPERATIONS

6.3 Commitments for expenditure (continued)

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

(\$000's)	2017	2016
<i>Other operating commitments</i>		
Within one year	1,317	2,680
Later than one year but not later than 5 years	3,712	3,609
Longer than 5 years	29,788	30,044
Total operating expenditure commitments	34,817	36,333

There were no capital expenditure commitments during the period.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.1 Financial instruments specific disclosures

Introduction

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

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, 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.

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.

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*.

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.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.1 Financial instruments specific disclosures (continued)

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.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

7.1.1 Financial instruments: Categorisation

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

(\$000's)	Note	Category	2017	2016
Contractual financial assets				
Cash and deposits	6.2	n/a	4,597	4,406
Receivables	5.1	Loans and receivable (at amortised cost)	1,382	1,413
Total contractual financial assets			5,979	5,819
Contractual financial liabilities				
Payables	5.2	Financial liabilities measured at amortised cost	959	822
Interest bearing liabilities	6.1	Financial liabilities measured at amortised cost	976	1,225
Total contractual financial liabilities			1,935	2,047

7.1.2 Financial risk management objectives and policies

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 is not exposed to any significant foreign currency risk.

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 Board of the RMB.

Financial instruments: 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.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.1.2 Financial risk management objectives and policies (continued)

Financial instruments: 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.

Financial instruments: 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.

Financial instruments: 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.

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

(\$'000)	Weight avg effective interest rate	Carrying amount	Interest rate exposure			Interest rate risk			
			Fixed interest rate	Variable interest rate	Non-interest bearing	-2%		+2%	
						Net result	Equity	Net result	Equity
2016									
Financial assets:									
Cash at bank & 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	-	-	-	-
Total		5,819	18	4,406	1,395	(88)	(88)	88	88
Financial liabilities:									
Payables	-	822	-	-	822	-	-	-	-
Borrowings	5.33%	1,225	1,225	-	-	-	-	-	-
Total		2,047	1,225	-	822	-	-	-	-
Total increase/(decrease)						(88)	(88)	88	88
2017									
Financial assets:									
Cash at bank & on hand	0.05%	529	-	529	-	(11)	(11)	11	11
Short-term Deposits	1.55%	4,068	-	4,068	-	(81)	(81)	81	81
Receivables	0.12%	1,382	18	-	1,364	-	-	-	-
Total		5,979	18	4,595	1,364	(92)	(92)	92	92
Financial liabilities:									
Payables	-	959	-	-	959	-	-	-	-
Borrowings	5.33%	976	976	-	-	-	-	-	-
Total		1,935	976	-	958	-	-	-	-
Total increase/(decrease)						(92)	(92)	92	92

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.2 Contingent assets and Contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There are 3 claims that have been made against the RMB by visitors. The claims are currently being investigated by insurance assessors. In 2017 the RMB has accounted for \$51,000 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 \$25,000 (2016: \$27,700)

There is also one further ongoing legal case in respect to an employment dispute. The RMB's exposure in respect to this claim is \$46,000.

7.3 Fair value determination

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

Fair value hierarchy

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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.

7.3.1 Fair value determination of financial assets and financial liabilities

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

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.3.1 Fair value determination of financial assets and financial liabilities (continued)

(\$000's)	Carrying amount as at 31 Dec	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2016				
Financial assets				
Cash at bank and on hand	438	438	-	-
Short-term deposits	3,968	3,968	-	-
Receivables	1,413	1,413	-	-
Total financial assets	5,819	5,819	-	-
Financial liabilities				
Payables	822	822	-	-
Borrowings	1,225	1,225	-	-
Total financial liabilities	2,047	2,047	-	-
2017				
Financial assets				
Cash at bank and on hand				
Short-term deposits	4,068	4,068	-	-
Receivables	1,382	1,382	-	-
Total financial assets	5,979	5,979	-	-
Financial liabilities				
Payables	959	959	-	-
Borrowings	976	976	-	-
Total financial liabilities	1,935	1,935	-	-

There have been no transfers between levels during the period. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of financial assets and financial liabilities is based upon market prices, where a market exists or by discounting the expected future cash flows at current interest rates. As such the fair value measurement of interest bearing liabilities are classified as level 1 instruments.

Financial assets and financial liabilities are measured at amortised cost.

The carrying amounts of cash and cash equivalents, receivables and payables are assumed to approximate their fair values due to their short-term nature. These are disclosed as level 1 instruments.

The carrying amount of interest bearing receivables approximate their respective fair values. The RMB intends to allow these receivables to run in accordance with their maturities and, accordingly, has decided not to write them down to their fair value.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.3.2 Fair value determination of non-financial assets

(\$000's)	Carrying amount as at 31 Dec	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2016				
Land at fair value				
Non Specialised	220	-	220	-
Specialised	110,468	-	78,375	32,093
Total of land	110,688	-	78,595	32,093
Buildings at fair value				
Non-specialised	245	-	245	-
Specialised	15,610	-	-	15,610
Total of buildings	15,855	-	245	15,610
Plant, equipment & vehicles at fair value				
Vehicles	905	-	-	905
Plant and equipment	1,065	-	-	1,065
Total of plant, equipment & vehicles	1,970	-	-	1,970
Infrastructure at fair value				
Garbage	351	-	-	351
Gas	873	-	-	873
Mt Stirling	4,412	-	-	4,412
Sewerage	6,036	-	-	6,036
Village Facilities	2,420	-	-	2,420
Water	4,997	-	-	4,997
Roads & Carparks	14,690	-	-	14,690
Total of infrastructure	33,779	-	-	33,779
Cultural assets at fair value				
Artworks	337	-	337	-
Total of cultural assets	337	-	337	-
2017				
Land at fair value				
Non Specialised	390	-	390	-
Specialised	105,727	-	92,318	13,409
Total of land	106,117	-	92,708	13,409
Buildings at fair value				
Non-specialised	100	-	100	-
Specialised	22,652	-	-	22,652
Total of buildings	22,752	-	100	22,652
Plant, equipment & vehicles at fair value				
Vehicles	932	-	-	932
Plant and equipment	1,156	-	-	1,156
Total of plant, equipment & vehicles	2,088	-	-	2,088
Infrastructure at fair value				
Garbage	256	-	-	256
Gas	1,015	-	-	1,015
Mt Stirling	9,538	-	-	9,538
Sewerage	7,398	-	-	7,398
Village Facilities	2,885	-	-	2,885
Water	8,316	-	-	8,316
Roads & Carparks	33,093	-	-	33,093
Total of infrastructure	62,501	-	-	62,501
Cultural assets at fair value				
Artworks	147	-	147	-
Total of cultural assets	147	-	147	-

(i) Classification in accordance with the fair value hierarchy

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.3.2 Fair value determination of non-financial assets (continued)

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.

An independent valuation of the ARMB's land and buildings was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings of comparable size and location to the ARMB. The valuation was based on independent assessments. The effective date of the valuation is 31 December 2017.

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. An independent revaluation was performed by Dominion Group (Vic) Pty Ltd on behalf of the Valuer-General Victoria. The effective date of the valuation is 31 December 2017.

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 classified as level 2 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.

The fair value of specialised land classified as level 3 is determined using the market approach 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. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2017.

Land under roads is held at fair value. The fair value of land under roads is determined based on assessing the market value, in line with that applied to non-specialised land above, and adjusting for englobe (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input into the valuation. The adjustment has no impact on the comprehensive income statement.

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. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 31 December 2017.

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 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.

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.

There were no changes in valuation techniques throughout the period to 31 December 2017.

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

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.3.2 Fair value determination of non-financial assets (continued)

Reconciliation of Level 3 fair value

(\$000's)	Specialised land	Specialised buildings	Vehicles	Plant and equipment	Infrastructure
2016					
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)	661	(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
2017					
Opening balance	32,093	15,610	905	1,065	33,779
Purchases (sales)	-	68	196	389	1,336
Transfers in (out) of Level 3	70	-	-	-	-
Depreciation	-	(582)	(169)	(298)	(976)
Impairment loss	-	-	-	-	-
Subtotal	70	(514)	27	91	360
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	(18,754)	7,556	-	-	28,362
Subtotal	(18,754)	7,556	-	-	28,362
Closing balance	13,409	22,652	932	1,156	62,501

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant Unobservable Inputs
Specialised Land		
Under Roads	Market approach	Extent & Impact of Restriction of Use
Village	Market approach	Community Service Obligation (CSO)
General	Market approach	Community Service Obligation (CSO)
Specialised Buildings		
General	Depreciated replacement cost	Direct cost per square metre for useful life
Alpine Central	Depreciated replacement cost	Direct cost per square metre for useful life
Vehicles		
	Depreciated replacement cost	Cost per unit for useful life
Plant and equipment		
	Depreciated replacement cost	Cost per unit for useful life
Infrastructure		
Garbage	Depreciated replacement cost	Cost per unit for useful life
Gas	Depreciated replacement cost	Cost per unit for useful life
Mt Stirling	Depreciated replacement cost	Cost per unit for useful life
Sewerage	Depreciated replacement cost	Cost per unit for useful life
Village	Depreciated replacement cost	Cost per unit for useful life
Water	Depreciated replacement cost	Cost per unit for useful life
Roads & Carparks	Depreciated replacement cost	Cost per unit for useful life

These significant observable inputs remain unchanged from 31 December 2017.

8. OTHER DISCLOSURES

8.1 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. Other gains/(losses) from other economic flows include:

- **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 8.2 *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.

Other economic flows included in net result

(\$000's)	2017	2016
Net gain/(loss) on non-financial assets		
Revaluation of Artworks	(190)	-
Impairment of Capital works in progress	(598)	-
Net gain/(loss) on disposal of physical assets	(2)	(23)
Total Net gain/(loss) on non-financial assets	(790)	(23)

8.2 Physical asset revaluation surplus

(\$000's)	2017	2016
Land		
Balance of revaluation surplus at start of financial year	4,653	4,653
Revaluation of land	(4,571)	-
Balance of revaluation surplus at end of financial year	82	4,653
Buildings		
Balance of revaluation surplus at start of financial year	5,561	5,561
Revaluation of land	7,418	-
Balance of revaluation surplus at end of financial year	12,979	5,561
Infrastructure		
Balance of revaluation surplus at start of financial year	12,379	12,379
Revaluation of land	28,362	-
Balance of revaluation surplus at end of financial year	40,741	12,379
Balance of asset revaluation surplus at end of year	53,802	22,593

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.

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.

8. OTHER DISCLOSURES

8.3 Responsible persons

8.3.1 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 people who were responsible persons at any time during the financial year were:

- Hon Lily D'Ambrosio MP (*Minister for Energy, Environment and Climate Change from May 2016*)
- Jennifer Hutchison (*Chairman of RMB*) – resigned 31/03/2017
- Jacqui Jennings (*Deputy Chairman of RMB*) – appointed 01/01/2016 to 01/04/2017, Chairman from 01/04/2017, Acting Chief Executive Officer 30/04/2017 to 09/06/2017
- Andrew Evans (*RMB Member*) – reappointed 01/01/2016
- Zita Peach (*RMB Member*) – appointed 01/01/2016
- Ian Maxfield (*RMB Member*) – appointed 01/01/2016
- Michelle Croughan (*RMB Member*) – appointed 01/01/2016
- Chris Pattas (*RMB Member*) – appointed 01/01/2016
- John Huber, (*Chief Executive Officer*) – resigned 30/04/2017
- Mark Bennetts, (*Chief Executive Officer*) – appointed 09/06/2017

8.3.2 Remuneration of Responsible Persons

Remuneration received, or due and receivable by Responsible persons from the RMB in connection with the management of the RMB for the financial period ended 31 December 2017 was \$365,244 (2016: \$360,632). The number of responsible persons whose remuneration was within the specified bands is as follows:

(\$000's)	2017	2016
1-10	6	11
11-20	-	1
41-50	1	-
111-120	1	-
161-170	1	-
291-300	-	1

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

8.4 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period. Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories:

- **Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- **Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- **Other long-term benefits** include long service leave, other long service benefits or deferred compensation.
- **Termination benefits** include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

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

Remuneration of executive officers (including Key management personnel disclosed in Note 8.5)

(\$000's)	2017	2016
Short-term employee benefits	1,071	
Post-employment benefits	96	
Other long-term benefits	28	
Termination benefits	140	
Total remuneration^{(a) (b)}	1,335	
Total number of executives	10	5
Total annualised employment equivalents (AAE)^(c)	8	5

8. OTHER DISCLOSURES

8.4 Remuneration of executives (continued)

Notes:

- (a) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.
- (b) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).
- (c) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.5 Related party transactions

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

Related parties of the RMB include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Significant transactions with government-related entities

The RMB received funding \$199,081.00 from Government related entities, made operational payments of \$115,775.00, loan repayments of \$84,029.95 and received interest income of \$74,430.50.

The government-related entity transactions for the year include:

- \$75,000.00 in grant funding, which includes \$5,000.00 from Sustainability Victoria, \$40,000.00 from the Department of Economic Development, Jobs, Transport and Resources and \$30,000.00 from the Department of Environment, Land, Water and Planning.
- \$49,900.00 in capital contributions from Department of Environment, Land, Water and Planning
- \$74,181.00 in Government Services income from the Department of Economic Development, Jobs, Transport and Resources.
- \$36,300.00 in payments to the Victorian Auditor General in relation to 2016 and 2017 audit fees. \$21,000.00 of this was accrued at year end.
- \$53,500.00 in payments to the Department of Environment, Land, Water and Planning for valuation fees in relation to 2016 desktop land assessments and 2017 asset revaluations performed by the Valuer General of Victoria's Office. \$46,000 of this was accrued at year end.
- \$25,975.00 in payments to the Department of Environment, Land, Water and Planning for valuation fees in relation to properties on Mt Buller.
- \$84,029.95 in loan repayments to the Treasury Corporation of Victoria for a loan that was paid out in June 2017. Of this, \$2,107.42 was interest.
- The RMB received \$74,430.50 in interest from the Treasury Corporation of Victoria for monies invested during the 2017 year. At year-end total investments of \$4,068,006.00 were held with Treasury Corporation of Victoria.

Key management personnel of the RMB includes the Portfolio Minister, the Hon. Lily D'Ambrosio MP, Governing Board Members and the Chief Executive Officer.

Entity	Key Management Personnel	Position title
RMB	Jacqui Jennings	Chairperson
RMB	Jennifer Hutchison	Outgoing Chairperson
RMB	Andrew Evans	Governing Board member
RMB	Chris Pattas	Governing Board member
RMB	Zita Peach	Governing Board member
RMB	Michelle Croughan	Governing Board member
RMB	Ian Maxfield	Governing Board member
RMB	Mark Bennetts	Chief Executive Officer
RMB	John Huber	Outgoing Chief Executive Officer

8. OTHER DISCLOSURES

8.5 Related party transactions (continued)

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

(\$000's)	2017
Short-term employee benefits	256
Post-employment benefits	24
Other long-term benefits	4
Termination benefits	81
Total remuneration^(a)	365

- (a) Note that some Key management Personnel are also included in the disclosure of remuneration of executive officers (Note 8.4).
(b) No comparatives have been reported due to AASB 124 Related Party Disclosures being effective for not for profit entities from 1 July 2016.

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

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

(\$000's)	2017	2016
Molony's Apartments Pty Ltd		
Revenue received ⁽¹⁾	105	121
Delatite Hotel		
Revenue received ⁽¹⁾	-	1

- (1) The above are related party transactions as a board member (Zita Peach) owns an apartment that pays site rent and service charges to the RMB and an ex board member (Jennifer Hutchison) owns an interest in the Delatite Hotel.

8.6 Auditor's Remuneration

(\$000's)	2017	2016
Victorian Auditor-General	35	21

8.7 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.

There have been no matters or circumstances that 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.

8.8 Other accounting policies

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.

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.

8. OTHER DISCLOSURES

8.9 Australian Accounting Standards issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 31 December 2017 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 2017, the following standards and interpretations that are applicable to the RMB had been issued but are not mandatory for the financial year ending 31 December 2017. The RMB has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial Instruments</i>	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 amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.
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 there will be no significant impact to the RMB.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
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.
AASB 15 <i>Revenue from Contracts with Customers</i>	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.
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 for AASB 15 above.

8. OTHER DISCLOSURES

8.9 Australian Accounting Standards issued that are not yet effective (continued)

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events. The amendments: <ul style="list-style-type: none"> require non-contractual receivables arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and clarifies circumstances when a contract with a customer is within the scope of AASB 15. 	1 Jan 2019	The assessment has indicated that there will be no significant impact for the public sector, other than the impacts identified for AASB 9 and AASB 15 above.
AASB 16 <i>Leases</i>	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 assessment has indicated that there will be no significant impact for the RMB. No leases of significance have been entered into as leasee.
AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The standard amends AASB 136 <i>Impairment of Assets</i> 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 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136.
AASB 1058 <i>Income of Not-for-Profit Entities</i>	This standard replaces AASB 1004 <i>Contributions</i> and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

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 2016-17 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 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-16 Cycle*

8.10 Style conventions

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

Independent Auditor's Report

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

Opinion	<p>I have audited the financial report of the Mount Buller Mount Stirling Alpine Resort Management Board (the board) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 December 2017 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including a summary of significant accounting policies • declaration by the Chairperson of the Board and Accountable Officer's and Chief Executive Officer and Finance Manager. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the board as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Alpine Resort Management Board's responsibilities for the financial report	<p>The board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the board is responsible for assessing the board's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the board'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 board'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 board 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
26 February 2018

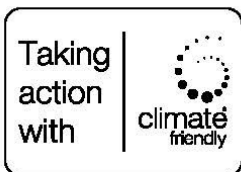


Simone Bohan
as delegate for the Auditor-General of Victoria





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