



2018 ANNUAL REPORT

Mt Buller Mt Stirling Alpine
Resort Management Board





ACCOUNTABLE OFFICER'S DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Mt Buller and Mt Stirling Alpine Resort Management Board's Annual Report for the year ending 31 December 2018.

Dr. Jacqueline Jennings
28 February 2019

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CHAIR'S REPORT



Increased stakeholder consultation & engagement, exciting project development, amazing snow.

2018 has been a year of consolidation for the Resort Management Board at Mt Buller and Mt Stirling where a refreshed management team has taken on the challenge of addressing infrastructure and strategy development to meet and exceed the needs of ever increasing visitor numbers at the resorts.

Early in the year, we farewelled outgoing Board members Andy Evans, Zita Peach, Ian Maxwell and Chris Pattas to whom I extend my sincere thanks for their contribution to the future shape of the two resorts and for their assistance to Management throughout their term of appointment. In March Minister D'Ambrosio provided a model change to the Resort Board structure whereby the new Resort Management Board is comprised of four directors that serve on the Mt Hotham and Falls Creek Boards as well as the Mt Buller & Mt Stirling Board and three directors whose sole focus is here at Mt Buller & Mt Stirling.

We welcomed five new directors who immediately embraced the role with enthusiasm and focus providing skills and knowledge to enhance the vision, strategy and performance of the remaining Board members.

The board has paid close attention to conflict of interest and duty since the introduction of the new governance model in March 2018. Following discussions with DELWP, Chambers of Commerce, Lift Companies, Resort Management Boards, Sponsors and Event Companies, policy and practice to address conflict of interest and duty issues were introduced and have been refined over the year.

Last year I noted the establishment of a dedicated Olympic Training Centre at Mt Buller through the joint commitment of Ski & Snowboard Australia, Buller Ski Lifts, the Mt Buller and Mt Stirling Alpine Resort Management Board (RMB) and the Olympic Winter Institute of Australia (OWIA). Throughout 2018 this agreement has helped realise athlete accommodation, competition appropriate slope preparation and enhancement, the creation of an indoor training centre – the Buller Air Zone, or BAZ as it is affectionately known, providing year round training for elite winter athletes as well as being open to the general public. It would be remiss of me at this point to fail to congratulate our wonderful Australian Winter Olympic squad who performed so spectacularly in Pyongyang (and even more so in the World Cup and World Championships of early 2019).

The long anticipated Mt Buller Water Storage Project pre-construction phase is well underway with a focus on environmental monitoring and project planning during 2018. This project is vital to the supply of potable water in summer and additional snow-making 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.

The winter season produced record visitation providing all mountain stakeholders a strong year. This in turn has engendered impetus and energy to invest further in the Resorts and has resulted in increased regional employment throughout the green season. In addition Mt Buller continues to attract major sporting events year round. This year saw the continued success of Targa High Country, and the national and international bike and trail events.

Mt Stirling continues to see growth in education and recreational visitation. The endorsement by stakeholders of Mt Stirling 2030 which presents a vision that reflects community and stakeholder aspirations, celebrating the social and environmental values of the mountain and addressing challenges of climate change has set the tone for a sustainable future.

It was with both sorrow and celebration this year that Mt Buller farewelled a mountain legend. Hans Grimus, who passed away in September. Hans played an instrumental role in the development of both the character and the infrastructure that forms the basis of Mt Buller today.

In closing I would like to thank Minister D'Ambrosio 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 work tirelessly to provide a positive and memorable alpine experience for hundreds of thousands of local and international guests, inviting them to return time and time again.

Dr Jacqueline Jennings
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

2018 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.

In the 2017 Annual Report, I wrote about the RMB starting to re-focus on growing visitation, improving compliance, improving stakeholder satisfaction, improving resort sustainability, developing a high performance culture, and improving financial viability. I'm pleased to report that we made steady progress in these areas throughout 2018.

There were several management changes in the first half of the year aimed at improving strength and capability within the team in the areas of compliance, OH&S, contracting, contract management, project management, maintenance of key infrastructure, marketing strategy and business development. These changes incurred some one-off restructuring cost that are already paying dividends.

Progress was made on a significant number of projects throughout 2018. The Mt Buller Water Storage Project made progress with planning approvals secured and a grant funding agreement with Regional Development Victoria (RDV) finalised. Further progress will be made in 2019 to secure Mt Buller's growing water requirements into the future whilst also supplementing the Sun Valley water supply for snow making. We spent close to \$2.3m in restoring key infrastructure that suffered from inadequate attention over many years. Close to \$0.8m was spent repairing and resealing bitumen carparks and the many sections of damaged concrete roads within the Mt Buller Village, and these works will continue for at least another two years. We spent \$0.5m relining cracked sewage pipes to prevent stormwater ingress that was creating compliance issues at the water treatment plant. This helped address a Pollution Abatement Notice issued by the Environmental Protection Authority during 2018 which has since been removed. We also installed additional visitor seating overlooking the two Mt Buller toboggan slopes, while the micro-hydro installed at Mt Stirling in 2017 allowed Telephone Box Junction to run throughout the year without needing to use the diesel generator. And we welcomed Medical Rescue to run the Mt Buller Medical Centre, which included discounted GP visits for all staff working on the mountains.

Then there was the wonderful deep snow of winter which just kept coming and coming. This, coupled with Buller Ski Lifts dynamic lift ticket pricing and resort entry pricing changes aimed at reducing the cost of a snow holiday for many people, resulted in a record of 88,434 vehicles through the resort entry gate and 605,477 visitor days to the mountains. Our work to reduce fares on valet taxi rides between the village and the overnight carparks resulted in a significant reduction in visitor complaints.

The heavy snow falls and high visitation put extreme pressure on our limited carparks, resulting in the day carparks having to close on four occasions and some visitors being turned away. Increasing capacity is a key focus in 2019. It also created real challenges for the RMB team in keeping the roads and carparks open, welcoming visitors, parking cars, delivering events, keeping public facilities clean, delivering essential services such as water, sewage treatment and rubbish collection, and keeping everyone informed with our marketing communications. While we usually succeeded, there were unfortunately a few times when circumstances got the better of us resulting in long delays getting to and from the resort. We are continuing to work on improving in these areas.

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. Additionally, we continued to work with commercial operators to bring a range of activities and offerings to the resort throughout summer.

All of this resulted in record income of \$16.3m in 2018 (\$1.6m above plan) and operating costs of \$15.1m (\$1.4m above plan). One-off restructuring costs totalled \$144k, while a revaluation of RMB assets by the Valuer General resulted in depreciation of \$2.7m (\$0.6m above plan). The final cash operating result for the year was \$3.9m.

In closing, I would like to comment on how the Board, RMB staff, Buller Ski Lifts, Chamber of Commerce, Rate Payers Association, Mt Stirling Stakeholders and many other Stakeholders are continuing to work better and better together on tackling, discussing and addressing some of the fundamental challenges in making Mt Buller and Mt Stirling even bigger and better. This is the kind of team work and approach that is required for us to continue to grow and improve the resorts together, and I thank every single person who has been involved in this effort.



Mark Bennetts
Chief Executive Officer



RESORT PROFILE

The Mt Buller and Mt Stirling Alpine Resorts cover 5,000 hectares neighbouring the Mansfield Shire. The entry point to both resorts is at Mirimbah, which is 230km from Melbourne and 32km from the nearest town of Mansfield.

MT BULLER

The Mt Buller Village is a three hour drive from Melbourne. With approximately 30 commercial operators and 200 leased sites providing around 8,000 beds and a range of food, beverage and entertainment options, the variety and accessibility of Mt Buller make it Victoria's most popular alpine resort.

The largest of the commercial operators is Buller Ski Lifts, which manages the 300 hectare ski area, ski lifts, ski patrol, ski school and a number of food, beverage and accommodation facilities.

Each year, Mt Buller welcomes over 400,000 visitors throughout the winter who generate more than 500,000 visitor days, and account for nearly 45% of all visits to Victorian alpine resorts.

During the summer, approximately 50,000 visitors come for the mountain bike trails, running trails, summer events, sightseeing and the cooler temperatures.

MT STIRLING

Mt Stirling is the only Victorian alpine resort with a largely undeveloped and unspoilt alpine summit, offering a readily accessible 'semi-wilderness' experience for visitors. The hub of Mt Stirling is Telephone Box Junction, located 9kms from Mirimbah via an unsealed road. The facilities and services include visitor information, café, ski school, ski hire, and ski patrol.

There are up to 11,000 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.

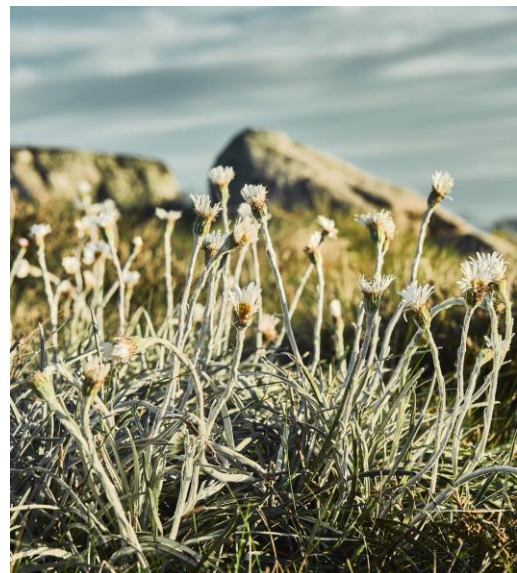
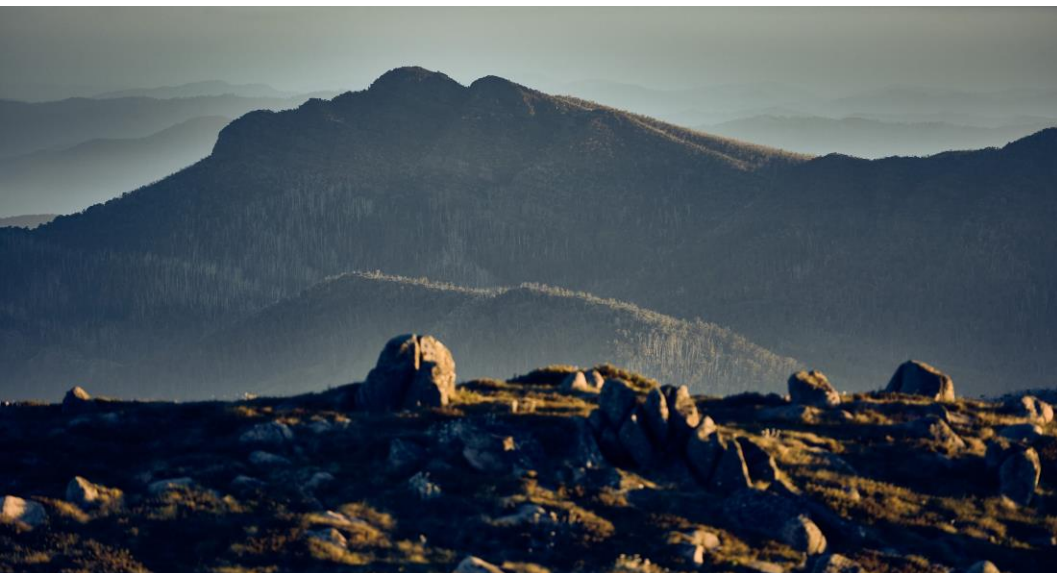
Visitation increases in summer when approximately 30,000 people come for four-wheel driving, bush walking, horse riding, mountain biking, camping and to access the iconic Craig's Hut. Most activities and services at Mount Stirling are delivered by private operators under license agreement.

VISITOR STATISTICS

	2015	2016 (1)	2017	2018
Mount Buller (Winter)	380,437	317,891	403,945	423,169
Mount Buller (Summer) (2)	89,695	102,515	75,881	75,225
Mount Stirling (Winter)	6,096	6,041	8,161	11,280
Mount Stirling (Summer) (2)	34,698	57,755	31,002	29,182
Vehicles (Winter)	64,909	72,825	84,398	88,434
Passengers using free shuttles / buses	617,812	693,629	815,132	876,312

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

2) As determined by the Alpine Resorts Coordinating Council



ENTITY INFORMATION

The Mt Buller & Mt Stirling Alpine Resort Management Board (RMB) is a statutory authority established under 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 RMB 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 2018 was The Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change. The Minister is responsible for Crown Land management and delegates authority to the RMB to implement Government policy in relation to the use and management of the alpine resorts. 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 PERFORMANCE INDICATORS

(\$000's)	2014	2015	2016 (1)	2017	2018
<i>Operating revenue</i>					
Gate entry	4,584	4,648	5,044	5,930	7,080
Site rental fees	3,842	3,716	4,518	4,189	4,515
Service charges	3,538	3,636	4,362	3,958	4,042
Sale of rights to lease / develop land	0	932	293	0	0
Government funding	382	148	219	74	0
Other revenue	879	1,043	1,153	932	713
Total revenue	13,225	14,123	15,589	15,083	16,350
Operating expenditure	12,555	12,765	15,241	14,460	15,106
Other economic flows	(11)	(19)	23	(790)	(36)
Net result	659	1,339	371	(167)	1,208
Total Assets	171,181	172,046	172,124	202,827	204,652
Total Liabilities	3,987	3,434	3,071	2,683	2,466
Net Assets	167,194	168,612	169,053	200,144	202,186
Assets Comprise:					
Land	110,688	110,688	110,688	106,117	106,117
Other non-financial assets	54,898	55,707	55,508	90,592	91,261
Financial assets	5,595	5,671	5,928	6,118	7,274



VISION, MISSION, STRATEGY, VALUES

VISION

Mt Buller and Mt 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 & 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 Mt Buller & Mt 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

Given the challenges facing the resorts, the objectives & priorities for 2018-2020 are:

- a) Achieving a trend increase in visitor numbers by improving affordability, increasing carparking capacity, and improving transit services;
- b) Delivering compliance through robust risk management & governance practices, and elimination of non-compliant discharges from the waste water plant;
- c) Achieving stakeholder satisfaction through engagement, delivery of effective and efficient services, restoration & maintenance of core infrastructure, and investment in new infrastructure;
- d) Providing environmental & resort sustainability through strong environmental management programs, increasing the supply of potable and snowmaking water, and reducing potable water consumption & environmental impact per visitor;
- e) Developing a high-performance culture and achieving staff satisfaction through improved engagement, involvement and empowerment;
- f) Delivering financial surpluses by improving organisational efficiency, improving the financial viability of Mt Stirling, and improving the year-round financial viability of Mt Buller.

VALUES

RMB Directors and staff are required to abide by the seven Victorian Public Sector values which provide the foundation of the integrity and accountability framework for all public sector employees:

- Respect
- Integrity
- Impartiality
- Accountability
- Responsiveness
- Leadership
- Human rights

ENHANCING THE VISITOR EXPERIENCE & DEVELOPING RESORTS

Mt Buller & Mt Stirling generate an economic contribution of approximately \$483m p.a. to the neighbouring regions and Victoria. The focus is on attracting visitors by leveraging the proximity to Melbourne, extensive snow making facilities, and the broad range of available accommodation, food & beverage and recreational activities. Winter is the driver of economic and financial performance. Snow-making continues to provide and enhance resilience to climate change and is vital to Mt Buller remaining a viable resort. Increasing visitation and financial viability throughout summer remains an important focus.

VISITATION

Record snowfalls provided fabulous snow for skiing, boarding, tobogganing and snowplay across Mt Buller and Mt Stirling in 2018. Demand was very strong with 423,169 visitors coming to Mt Buller which was 43% of all snow visits across Victoria, 5% more than in 2017 and 43% above the 10 year average. Mt Stirling experienced its highest visitation numbers on record, with the 11,280 visitors being 38% higher than 2017 and 84% above the 10 year average.

ONLINE SALES

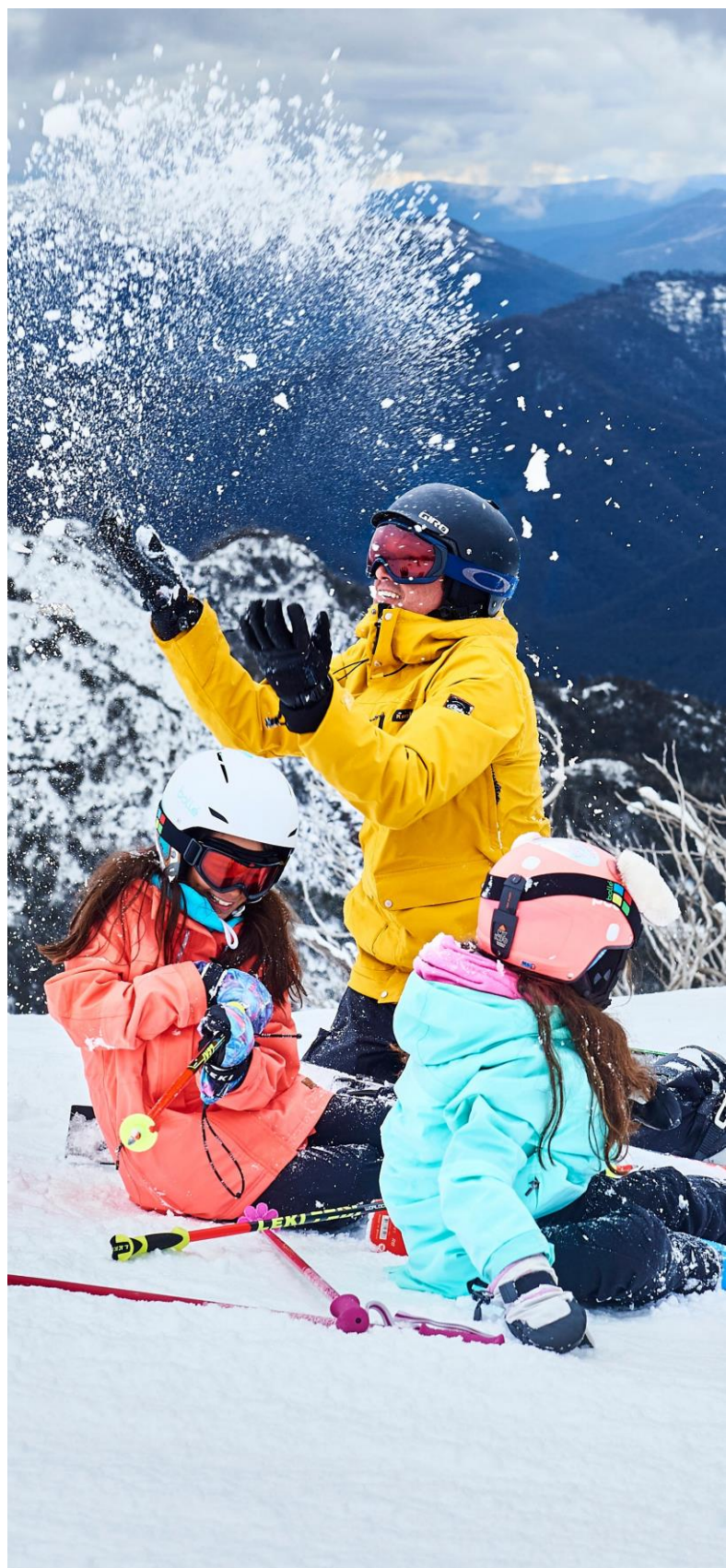
A new 20% online discount for resort entry and car parking was popular with visitors, increasing online sales from 18% in 2017 to 42% in 2018. The online entry fee of \$44 was 2% cheaper than 2017 while the \$8 fee for a midweek overnight car park was 29% cheaper. Both prices were the lowest in Victoria. Visitors were also sent courtesy SMS messages prior to arrival notifying guests of chain requirements and recommended arrival times and were able to by-pass the vehicle queue at resort entry so as to reduce the time taken to get to the snow.

GUEST SERVICES

Buller Ski Lifts and the RMB continued to support its team of enthusiastic volunteers who meet, greet and assist visitors at resort entry, car parks, toboggan slopes and the Mt Buller Village. This remained a valuable service to guests visiting the mountain, especially those coming for the first time.

SNOW MAKING

The snowmaking partnership with Buller Ski Lifts continued to produce snow for the benefit of all visitors and stakeholders, and resulted in Mt Buller being the only Victorian resort offering downhill skiing and boarding on Opening Weekend. All snow making costs (eg labour, water, electricity, depreciation of the extensive assets) are split 50/50, which resulted in the RMB contributing \$743k to the cost of snow making in 2018.



TRANSIT SERVICES

Negotiations with the contracted service provider, Mansfield Mt Buller Buslines (MMBL), lead to improved services in 2018. The online price for Valet trips from the overnight carparks was reduced by 37% for adults and 52% for children, which improved visitor satisfaction and increased the level of online sales from 23% in 2017 to 48% in 2018. Additional bus services were scheduled from Mirimbah on peak weekends and around the Mt Buller Village throughout the season. This coupled with high visitation resulted in record numbers of passengers being carried around the Mt Buller Village and to / from the car parks. The long-running transit contract ended on 31 October 2018, after which a public tender was released to provide transit services from 2019.

TRANSPORT	2016	2017	2018
Free Shuttle: Carparks – Village	510,631	596,151	625,899
Free Shuttle: Village intra	182,998	218,981	250,413
Valet Service	83,199	99,772	109,094

SKI PATROL

Buller Ski Lifts provided ski patrol services across Mt Buller as part of its long-term lease of the ski area. The combination of paid and volunteer Ski Patrollers attended 1364 incidents throughout the 2018 snow season, with 746 of these requiring transfer to the Mt Buller Medical Clinic for further treatment and 10 requiring helicopter transfer to medical care.

The RMB continued to provide ski patrol services at Mt Stirling, with the invaluable assistance of the Mt Stirling Volunteer Ski Patrol Inc. who are an essential part of winter safety and operations. Patrollers attended 22 incidents on Mount Stirling in 2018 with 3 transferred to Ambulance Victoria for further treatment.

LAND RELEASE

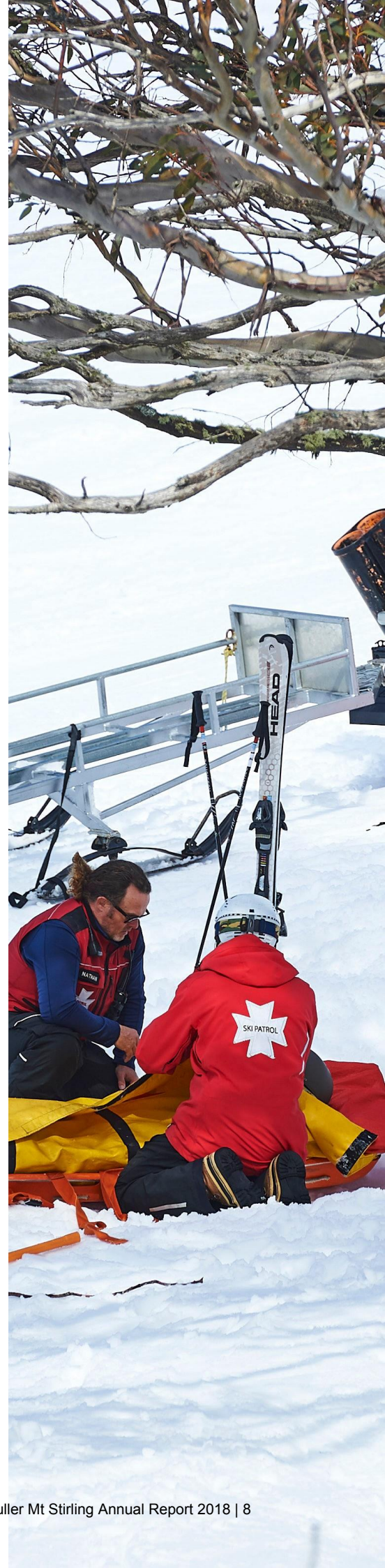
The Minister approved the release of three parcels of land within the Mt Buller Village during 2018. Expressions of interest were sought for two of these parcels, but did not generate any acceptable offers. Therefore these parcels have been retained for future sale when demand is stronger.

PRIVATE INVESTMENT

A total of 9 planning permits were progressed in 2018 with development values of approximately \$50m. The Victorian Government approved 4 of these with an estimated construction value of \$26m. Projects with a construction cost of approximately \$17m were completed by private investors. Numerous smaller property enhancement projects were undertaken by lessees, such as recladding and painting, which are exempt from planning permits.

COMBINED INVESTMENT

(\$000's)	2015	2016	2017	2018
Value of permits approved	800	27,800	2,948	25,960
RMB capital expenditure	2,631	2,595	2,132	2,816



MARKETING

A total of \$68,000 was contributed towards the Snow Victoria campaign delivered by Tourism North East in 2018. A further \$1.5m was spent in promoting the resorts and encouraging visitors to stay for one or more nights, which generated over \$12m in PR exposure and a record number of media familiarisations.

Many popular events were held throughout winter including Opening Weekend, Twilight Sessions, Cattleman's Jam, Pond Skim, AFL Grand Final, and 80's Day. Summer events including the Bike Buller Festival, Targa High Country and Picnic in the Park remained popular.

BULLER AIR ZONE

A new partnership with The Olympic Winter Institute of Australia resulted in development and construction of the Buller Air Zone. Launched on 7 July 2018, this exciting trampolining, airbag and climbing facility provided the public with another activity to enjoy during the snow season when the lifts stopped turning or the weather was poor. It is also open during key summer periods to complement other activities including mountain bike riding, road cycling, bushwalking and sightseeing, and to help increase summer visitation and resort viability.

ONLINE / SOCIAL MEDIA STATISTICS

	2016	2017	2018
<i>Unique Website Visits</i>			
Mt Buller Website	825,975	985,457	1,100,079
Mt Stirling Website	32,736	33,382	32,091
<i>Unique App Users</i>			
Mt Buller iPhone App	14,370	20,822	16,909
<i>Social Media Followers</i>			
Mt Buller Facebook	83,000	101,000	112,356
Mt Buller Instagram	27,000	36,000	45,000
Mt Stirling Facebook	1,600	1,900	2,300
Mt Stirling Instagram	671	912	1,300
Bike Buller Instagram	4,000	4,600	5,300
Bike Buller Facebook	10,000	10,500	11,500



DELIVERING RESORT SERVICES & INFRASTRUCTURE

The RMB performs a wide range of functions including the provision of Council like services, as well as land management, business & commercial development, and the development and maintenance of 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

Safe drinking water continued to be supplied to Mt Buller, Mirimbah and Telephone Box Junction. Water was managed in accordance with the Safe Drinking Water Act 2003 and treated using combinations of filtration, chlorination and ultra-violet disinfection. 378ML was withdrawn from Mt Buller's main water source, Boggy Creek, with 239.4ML used for potable water and 138.6ML for snowmaking. A further 11.5ML of waste water was recycled through the reactivated water recycling plant and used for snowmaking. Water quality was monitored in accordance with the resorts' Safe Drinking Water Risk Management Plan, which was independently audited in February 2018.

WATER SECURITY PROJECT

10 years of planning and preparation came to fruition in 2018 with approval from the Victorian and Federal Governments for a new 100ML water storage facility and \$7.5M in funding through Regional Development Victoria. This critical project will provide the drinking, snow making and firefighting water necessary for the long term security, sustainability and growth of Mt Buller in the face of continuing climate change. Environmental monitoring commenced, and the new dam is expected to be fully operational by the end of 2020.

ASSET RESTORATION

There was a significant focus on repairing and restoring core assets that had not been adequately maintained for many years. \$593k was spent on bitumen car parks and access roads as step one in a three-year restoration program.

\$172k went into the first tranche of repairs to damaged concrete roads and gutters around the Mt Buller Village. \$497k of work was required to find and repair damaged sewage pipes and reduce the instances of non-compliance's from the sewage treatment plant. And \$123k was spent reactivating the water recycling plant so as to provide additional snow-making water.

ROAD & CARPARK ACCESS

Large numbers of visitors, heavy snow and stormy conditions created difficulties in keeping the roads and car parks open and available on peak weekends through the snow season. The evening of 20 July was particularly problematic when the Mt Buller Road was effectively closed for five hours due to several incidents. This led to a review of management practices and agreement with Regional Roads Victoria on a suite of road improvements over time to reduce the chances of this occurring again. The day car parks were also closed for several hours on three days of the season when they reached capacity, which disappointed many visitors. Planning commenced on the creation of additional carparking and a park & ride "snowplay express" service to progressively increase capacity from 2019.

SEWAGE

The sewage treatment plant on Mount Buller, septic systems at Mirimbah and Telephone Box Junction, and pit / tank toilets across Mount Stirling all operated throughout the year, in accordance with a detailed monitoring program to preserve water quality in local streams. There were 4 non-compliances in 2018, down from 8 in 2017 and 9 in 2016 due to repairs on damaged sewer pipes. Two of these related to mechanical failures. Nevertheless, the Environmental Protection Authority (EPA) issued a Pollution Abatement Notice requiring a report into ways of further improving compliance. The EPA has since received the report, accepted the recommendations and revoked its Notice.

WASTE COLLECTION & RECYCLING

The successful recycling program continued including composting organic material and minimising the amount of waste going to landfill. This was supported by partnerships with waste contractors 4SITE Australia Pty Ltd and the North-East Waste and Resource Recovery Group. 4SITE Australia was awarded a new 5 year contract through a public tender process.

Record visitation to both resorts resulted in increased levels of waste, which translated to 0.74kg per visitor day being sent to landfill compared with 0.65kg in 2017 and 0.82kg in 2016. The “Don’t waste Mount Stirling” education and waste separation program won the Keep Australia Beautiful Victoria - Litter Prevention Award in September 2018. The continued increase in visitor numbers across both Resorts resulted in the RMB collecting 342 tonnes of waste for landfill during winter 2018 compared with 303 tonnes in 2017.

EMERGENCY MANAGEMENT

The RMB continued to manage the Mountains Emergency Management Plan and committee for Mt Buller and Mt Stirling. The committee met 3 times 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.

HEALTH SERVICES

The 9 year license for Mansfield Medical Clinic to run the Mt Buller Medical Centre ended in May 2018. Medical Rescue Pty Ltd, an organisation that provides trauma services at many New Zealand ski resorts, was awarded the license to run the Centre during the 2018 snow season. This provided a similar level of service to previous years, reduced the level of subsidy required from the RMB and provided additional benefits to staff across the mountain. Medical Rescue was awarded a new long-term license via public tender after the season.

Ambulance Victoria continued to maintain an ambulance and officers in RMB facilities on Mt Buller during the snow season and assisted in treating and transferring visitors who had serious injuries.

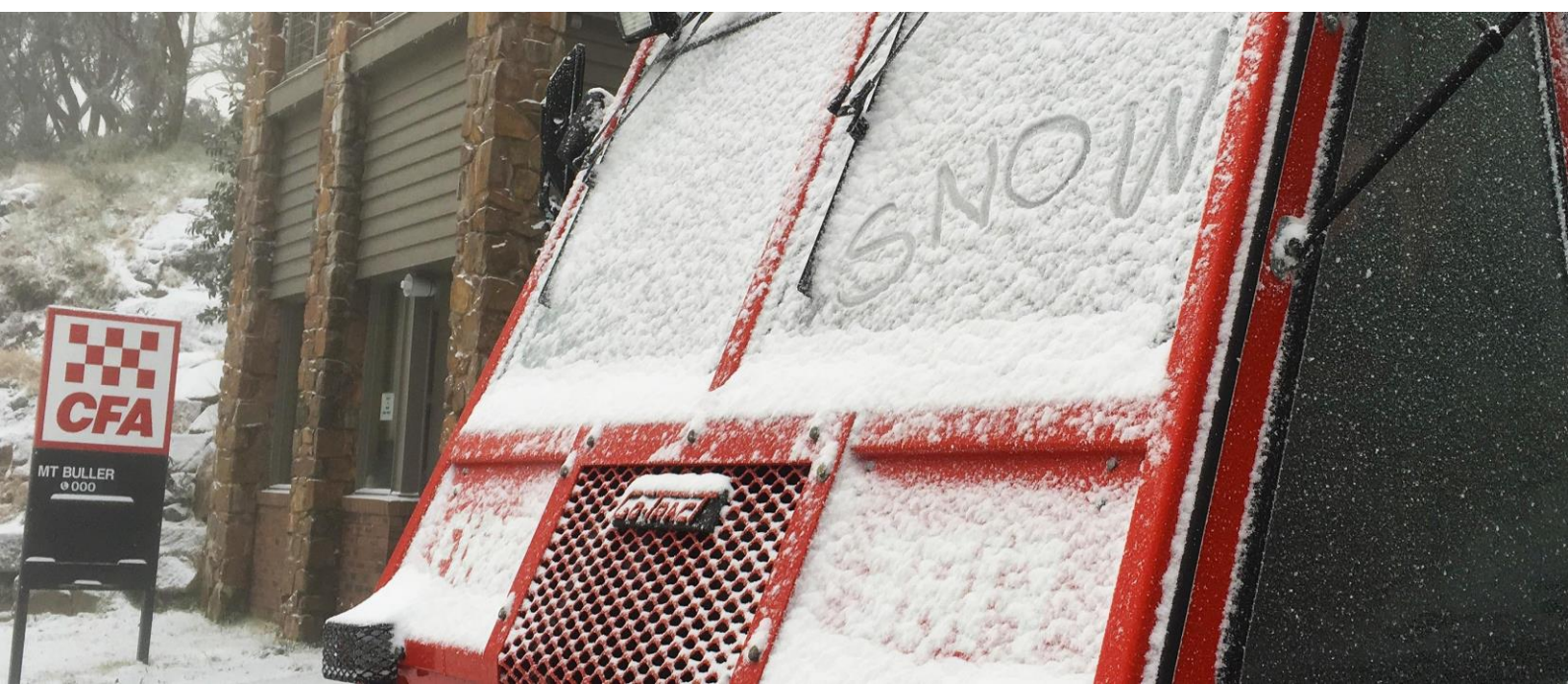
Regulatory services relating to building standards and food compliance across the mountain were carried out by the Mansfield Shire Council in accordance with the Public Health & Wellbeing Act 2008 and Food Act 1984, under contract to the RMB.

LEASING & COMMERCIAL OPERATORS

Lessees pay a site rental fee to use Crown Land for accommodation, food and beverage, retail or recreational purposes. 183 head leases on Mt Buller are administered under standard alpine leases which recognise the lessee rights to improvements on leased land, and their ability to negotiate a new lease prior to expiry. Commercial Operators pay a fee to run operations such as horseriding, camping, dog sleds, cross-country ski lessons and mountain bike shuttles. A total of 20 licences were administered during 2018 compared with 23 in 2017.

SERVICE CHARGES

Service charges were levied on all leased sites in accordance with Section 13 of the Alpine Resorts (Management) Act 1997. Charges for 2018 were based on the 2016 Capital Improved Values issued by the Victorian Valuer General and Mansfield Shire Council. A CPI adjusted service charge rate of 0.77% was applied compared with 0.075% in 2017 and 0.076% in 2016. The Board agreed that charges for 2019 will be based on a rate of 0.67%.



BUILDING PARTNERSHIPS

Cooperation and respect are essential in managing and developing Mt Buller & Mt 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

An extensive range of stakeholders worked closely with the RMB through a wide range of meetings, workshops, focus groups and conversations during 2018 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
- Mount Stirling Stakeholder Group
- Neighbouring land management authorities
- North East Victorian Regional Waste Management Group
- Olympic Winter Institute of Australia
- Other Victorian alpine resorts
- Recreational groups
- Regional Roads Victoria
- Residents
- Ski clubs
- State Government of Victoria
- Stirling Experience
- The Taungurung people
- Tourism North East
- Tourism operators
- Victorian National Parks Association
- Visitors & guests

VISITOR EXPERIENCE TEAM

A new group comprising representatives from the RMB, Buller Ski Lifts, Buller Holidays, Ski Patrol, Mansfield Mt Buller Buslines and Victoria Police met weekly throughout the snow season to discuss and agree expected visitor numbers, bus requirements, parking and other logistical arrangements so as to deliver the best possible visitor experience.

MARKETING COORDINATION

The RMB, Buller Ski Lifts, Mt Buller Chamber of Commerce and Mt Buller Ratepayers Association believe cooperation is essential to effective and efficient marketing of the resorts. Representatives continued their engagement in the Buller Marketing Coordination Group to promote the mountain in a cooperative manner, with consistent and coordinated branding, awareness and tactical messaging, social media posts and calls to action.

BULLER INTERSCHOOL ASSOCIATION

This Association comprises representatives from Buller Ski Lifts, the RMB, Mt Buller Chamber of Commerce and Mt Buller Rate Payers Association who collectively contribute the necessary funds to make the Victorian Interschools one of the most accessible events of its type in the world. Buller Ski Lifts holds the contract for Mt Buller to host the annual Victorian Interschools Snowsports competition, which attracted a record number of 6,464 entries from 210 schools in 2018 compared with 5,868 entries in 2017.

BULLER SKI LIFTS, CHAMBER OF COMMERCE & RATEPAYERS ASSOCIATION

These three groups collectively represent the majority of Stakeholders across Mt Buller and continued to regularly meet with RMB Directors and Management to ensure open and constructive dialogue and discussion on matters of shared importance to Mt Buller.

NATIONAL ALPINE MUSEUM OF AUSTRALIA

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

OLYMPIC TRAINING CENTRE

A new partnership between the Olympic Winter Institute of Australia, Ski & Snowboard Australia, Buller Ski Lifts and the RMB resulted in Mt Buller being recognised as an official Olympic Training Centre for aerial and mogul skiers in 2018. This included Australia's only on-mountain accommodation for winter athletes and coaches, new aerial jumps, new dual moguls course and a new indoor acrobatic facility. The Centre will allow Victorians to train at Mt Buller all the way from ski school, Team Buller Riders and Mt Buller Race Club through to Olympic and World Cup glory.

SPONSORSHIP

The RMB continued to work with its valued sponsors and partners including Mercedes-Benz Daimler, Bolle, K2 and Channel 7 for mutual benefit in 2018. It also continued to provide financial support and / or other assistance to the Bike Buller Festival, Buller Interschools Association, Disabled Winter Sports Australia, Mansfield Primary School, Mansfield Secondary School, Mansfield Hospital, Mt Buller Education, Mt Buller Arts Association, Mt Buller Race Club, National Alpine Museum of Australia, Olympic athlete Anton Grimus, South Australian Snowsports Championships, Targa High Country, Team Buller Riders, Victorian Down Hill Mountain Bike Series and Winter Olympic Institute of Australia.

MT STIRLING STAKEHOLDER GROUP

The 17 commercial operators who provide recreational opportunities on Mount Stirling, along with other stakeholders including the Friends of Mount Stirling, the Mount Stirling Development Taskforce Victorian National Parks Association, the Taungurung people and 4WD Victoria all continued to be invited to work with the RMB as part of the Mt Stirling Stakeholder Group. The Group completed development of the Mt Stirling 2030 Vision which was formally endorsed by the Victorian National Parks Association and will form the basis of strategic planning throughout 2019. The Board met with the Group at Mt Stirling during 2018 and agreed that it (or a sub-committee) would continue to meet with the Group on a quarterly basis.

LOCAL AND REGIONAL AUTHORITIES

The RMB continued to consult with a range of industry experts and authorities in progressing matters of importance to Mt Buller & Mt Stirling including the Alpine Resorts Coordinating Council, CFA, DELWP, Goulburn Murray Water, Mansfield Shire, Parks Victoria, Regional Roads Victoria, Tourism North East, Victoria Police and management at the other Victorian Alpine Resorts.

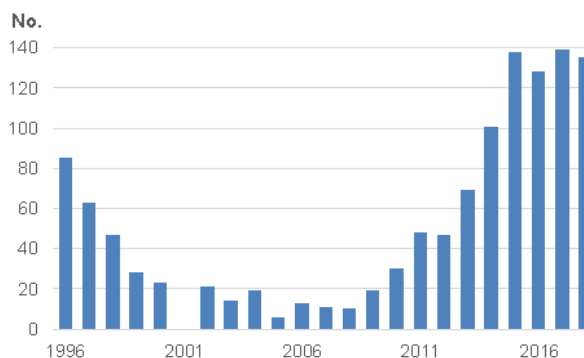


RESPECTING THE ALPINE ENVIRONMENT

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 POSSUMS

The Mountain Pygmy-possum is an endangered species due to habitat degradation, predation and climate change across the Australian alps. The recovery and preservation program continued following significant population declines in the early 2000's. Monitoring showed that the population did not increase in 2018 due to late litter loss associated with the number of Bogong moths (a key staple for possums) being well below average across the Australian Alps.



PEST PLANT CONTROL

Orange Hawkweed was monitored from October 2017 to June 2018 within an established quarantine area to minimise risk of spread. Continued funding assistance from the Department of Economic Development, Jobs, Transport & Resources enables an intensive monitoring program which resulted in two new plants being identified as was the case in 2016-2017. Waterway weeds continued to be targeted and Blackberries were sprayed on mountain trails and in the upper reaches of the Delatite River at Mirimbah.

REVEGETATION & 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 & 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.

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.

ENERGY & RESOURCE EFFICIENCY

The micro-hydro facility installed at Telephone Box Junction in 2017 resulted in all Mt Stirling visitor facilities being powered by 100% green energy in 2018 including ski patrol, ski hire, ski school and visitor amenities. This also saved of \$12k in diesel fuel which otherwise would have been required to run a generator. A new solar powered weather station was installed at Mt Stirling, solar powered webcams continued to broadcast real-time snow conditions at Mt Stirling, and solar powered lighting continued to be used at Chain Bay 3 on Mt Buller. Environmental performance was further improved by ceasing a contract with Greensync which involved powering the Alpine Central building via diesel fuelled generator at times of peak demand on the power grid.



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. Mt Buller & Mt Stirling are only three hours from Melbourne, which provides a great opportunity to encourage visitation from a broader cross-section of its ethnically diverse population of 4.8 million people.

EDUCATION

Mt Buller continued to offer a range of education options for children living on the mountain through the snow season. During term three, 37 students progressed their education through the Mansfield Primary School annexe, 16 through the Mansfield Secondary College annexe, and 37 through Mount Buller Education's tutor-based program. These were all based in the Alpine Central building.

DISABLED WINTER SPORTS AUSTRALIA

The RMB and Buller Ski Lifts continued to partner with Disabled Winter Sports Australia, to assist people living with disabilities ski, snowboard or snow play at Mt Buller. Celebrating 40 years of operation in 2018, Disabled Winter Sports Australia is a member-based organisation that assists people with disabilities to participate in snowsports across the Australian Alps.

CULTURALLY DIVERSE COMMUNITIES

Many people who came to the snow for the first time were looking to play and toboggan, and anecdotal evidence showed that a large number of these are families that speak a first language other than English. Multi-lingual and international standard signage was implemented around the toboggan parks in 2018, along with additional indoor tables and seating so that families could enjoy their own food while overlooking the toboggan slope in the Mt Buller Village.



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.

LEASING POLICY

Lease terms are determined in accordance with Government guidelines issued in 2002, which are subjective and limit the length of leases unless the Lessee develops their block to the maximum possible extent. This can lead to inconsistent outcomes and have an adverse impact on the character and amenity of the respective mountains.

Following feedback from a range of stakeholders, including representations by the Board on behalf of our community, the Department of Environment, Land, Water and Planning committed to reviewing the leasing guidelines in 2019. This is an important project, and we commend the Department on its decision to commit to this review.

MINISTERIAL DIRECTIONS

During 2018, the Minister for Energy, Environment and Climate Change directed the Alpine Resorts Coordinating Council and Alpine Resort Management Boards to review:

- Collaboration across the Alpine Resorts. The Alpine Resort Management teams currently collaborate on a range of matters including policies, procedures, work practices, systems and Snow Victoria marketing. We are looking to build on this collaboration in future years and, in particular, explore joint procurement and shared resource models.
- Business Systems Review. The RMB is focused on efficiency and effectiveness in all its activities and business processes. In 2019, we will be able to share some of the benefits of our efficiency and effectiveness gains by implementing a price freeze on most resort entry season passes and village parking permits. We were also able to freeze the total amount of service fee income received from stakeholders in 2019. In addition to this, we have been working with the Alpine Resorts Coordinating Commission at the strategic level to identify future improvement opportunities. The final ARCC report is expected early in 2019.
- Transparent decision making by Alpine Boards. The RMB engages extensively with its Stakeholders on strategy, major decisions and service quality. For instance, stakeholder sessions are held before each Board meeting, we have Board meetings on Mt Buller and Mt Stirling and in 2018 we included Stakeholder representatives on major tender evaluation panels for services such as the medical centre. This level of engagement is planned to continue in future years.
- Options for stakeholder groups at each Alpine Resort. A range of stakeholder groups are active on Mt Buller and Mt Stirling. We value the input of our stakeholders and regularly attend meetings of the Mt Buller Chamber of Commerce and the Mt Buller Ratepayers Association. In 2018, we also participated in a consultancy project coordinated by the ARCC to explore community engagement in Alpine Resorts.

CLIMATE CHANGE

The RMB, Buller Ski Lifts and other Stakeholders have been dealing with the consequences of climate change for many years, through continued investment in snowmaking and the development of additional activities designed to attract visitors.

We are continuing to prepare for a changing environment and mitigate impacts by seeking an upgrade in the supply of mains power to Mt Buller to reduce the need for diesel generators, continued investment in snow-making and an ongoing focus on developing year-round attractions. These efforts will continue in future years.

ALPINE RESORTS STRATEGIC PLAN

The previous Alpine Resorts Coordinating Council strategic plan ran until the end of 2018. We are working with the ARCC to consult with our communities and develop a new plan by the end of 2019. The new plan will influence future strategic plans for Mt Buller & Mt Stirling.

ORGANISATIONAL STRUCTURE

Board Members are appointed by the Minister for Energy, Environment and Climate Change based on the skills necessary to oversee the running of the resorts. In 2018 the Minister appointed four common directors to sit on the Boards of Mt Buller & Mt Stirling, Falls Creek and Mt Hotham, and a further three unique directors who sit only on the Mt Buller & Mt Stirling Board. All Members were appointed for a three year period from 30 March 2018 to 29 March 2021.

BOARD OF DIRECTORS

*Dr Jacqueline Jennings (Chair)
From January 2016.*

Jacqueline has extensive executive experience in sales, marketing, business development, strategy, and financial management and currently sits on the Alpine Resorts Coordinating Council Board. She is a 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, and is also a Director of the Darwin Waterfront Corporation Board. Jacqueline was also a Board Director at Peoplecare Health Insurance where she was a Director of its non-health fund subsidiary and a member of the Finance and Risk Committee.

*Richard Leder (Deputy Chair)
From March 2018.*

Richard is a partner in the national law firm Corrs Chambers Westgarth and specialises in commercial litigation and in media and defamation law. He is also the Corrs Melbourne office pro bono partner. He serves on a number of NFP boards including the Royal Children's Hospital Foundation, The Conversation Media Group and Australian Friends of Asha for Slums. He is a lifelong Mt Buller skier and visitor to the region. He and his family are members of the Mt Buller Race Club and he sits on the MBRC Committee.

*Michael Monester
From March 2018*

Michael is a lawyer, Director and project specialist experienced in many industries and operating environments. He is a Director of several NFP's and at Bank First where he chairs the governance and property committees. He is a Fellow of the AICD and a member of the Victorian Planning & Environmental Law Association. He previously sat on the Mt Buller & Mt Stirling Committee of Management, is a Director of Patscherkofel Ski Lodge and a member of the Ski Club of Victoria. He managed and developed ski resorts in Canada and USA and was an Executive Director of Mt Buller Ski Lifts.

*Michelle Croughan (Member common to the three norther resorts)
From January 2016*

Michelle has over 20 years experience as a local and State government planner and was previously Manager of Alpine Planning for the Victorian Government. She is a Graduate of the AICD, and an active 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. Over the last 15 years, Michelle has spent considerable periods of time in ski resorts in Australia and Japan with her family. She is currently a consultant providing advice and advocacy about planning policy and strategy.

*Helen Moran (Member common to the three norther resorts)
From March 2018*

Helen is an accomplished executive leader with extensive knowledge and expertise within the ski resort and tourism industries. She has a track record of tangible results that positively impact on organisational performance. She has initiated strategic change that improved efficiency and bottom-line profitability without compromising quality of service or standards. Helen is adept at providing organisational leadership and is recognised as a strategic thinker and leader within the industry. She has significant experience on committees and Boards in alpine resorts and the tourism.

Peter Valerio (Member common to the three norther resorts)
From March 2018

Peter has over 30 years' experience in commercial, public sector and business roles within the tourism sector and is respected for his destination marketing expertise. He has been General Manager for one of Australia's largest ski tour operators and accommodation providers, and co-developed and applied destination branding for the Australian Tourist Commission. In 20 years heading Tourism Development Strategy Services, he has helped the Hong Kong Tourism Board re-shape their global strategy, redefine the market image of Wollongong, and develop product strategies for the NSW National Parks & Wildlife Service.

Sue Lebish (Member common to the three norther resorts)
From March 2018

Sue has over 20 years experience in Local Government, University, Defence and Banking through finance, governance, project and risk management roles across Australia. She is Chair of the Audit Committee for the Alpine Shire, on the Winton Wetlands Committee of Management, and has held Board roles in Government Owned and University Research Corporations. Sue is a CPA with a Bachelor of Commerce and MBA and is a Member of the Australian Risk Policy Institute. She is a keen skier who believes in the commercial, ecological and social value of the Alpine regions to the local and regional communities.

OUTGOING DIRECTORS

The RMB appreciated the direction and contribution from previous Directors who served on the Board until March 2018:

Andy Evans
June 2013 to March 2018

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.

Zita Peach
January 2016 - March 2018

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. She is a Fellow of the AICD and AIM. 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.

Ian Maxfield
January 2016 - March 2018

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 Chair of the Board of Quantum Support Services and director of the Game Management Authority.

Chris Pattas
January 2016 - March 2018

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.

BOARD COMMITTEES

Risk Audit & Finance Committee

Sue Lebish (Chair), Jacqueline Jennings, Michelle Croughan

This committee oversaw financial performance, the quality and effectiveness of RMB accounting, management reporting, policies and procedures, risk management, the scope and performance of external and internal auditors, and compliance with the Financial Directions as issued by the Minister for Finance.. 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 impact on RMB code of conduct. All Members are deemed independent under the Financial Management Act 1994.

People, Reumeration & Culture Committee

Jacqueline Jennings (Chair), Helen Moran, Richard Leder

This committee assisted the Board to discharge its responsibilities of oversight and governance regarding remuneration, people and culture including CEO recruitment and performance, stakeholder engagement, staffing strategies and the enterprise agreement.

Planning, Land Management & Environment Committee

Michelle Croughan (Chair), Peter Valerio, Sue Lebish

This committee assisted the Board to manage issues relating to planning, land management and environmental matters including leasing, land releases, environment, water, waste water and emergency management.

Arts, Marketing & Development Committee

Peter Valerio (Chair), Michael Monester, Helen Moran

The committee was responsible for assisting the Board to manage issues related to artistic and cultural endeavours, business development, marketing strategy, marketing performance, resort entry strategy and opportunities to increase visitation, yield and satisfaction.

BOARD MEETING ATTENDANCE

	Board	Risk, Audit & Finance	Planning, Land Management & Environment	People, Remuneration & Culture	Arts, Marketing & Development
Jacqueline Jennings	9/9	6/6	-	4/4	-
Richard Leder	7/7	-	-	4/4	-
Michael Monester	7/7	-	-	-	0/0
Michelle Croughan	9/9	5/5	3/3	-	-
Helen Moran	7/7	-	-	4/4	0/0
Sue Lebish	5/7	5/5	3/3	-	-
Peter Valerio	7/7	1/5	3/3	-	0/0
Andy Evans	2/2	-	-	-	-
Zita Peach	2/2	1/1	-	-	-
Ian Maxfield	2/2	1/1	-	-	-
Chris Pattas	2/2	-	-	-	-



ORGANISATIONAL STRUCTURE

Following Minister D'Ambrosio's announcement of governance reform in 2017, the RMB subsequently reviewed its organisational structure aimed at ensuring it was as effective and efficient as possible. The new structure and responsibilities are outlined below:



WORK HEALTH AND SAFETY

The RMB is committed to providing a safe and healthy working environment for all employees and contractors, who are responsible for complying with organisational policies and procedures and following safe work practices at all times. Operationally focused toolbox meetings continued in 2018 and an audit of safe working manuals and OH&S procedures was completed, and cross-training commenced to broaden the range of staff who can safely undertake many manual tasks. Flu vaccinations were available to all staff and audiometric testing provided for those who can be exposed to high levels of noise.

INDUSTRIAL RELATIONS

The CEO and the Projects & Infrastructure Manager were employed under standard GSERP (Government Senior Executive Remuneration Panel) contracts approved by the Victorian Government throughout 2018. All other Resort Management employees were employed under the Mt Buller & Mt Stirling Resort Management Enterprise Agreement 2015-19.

WORKFORCE DATA

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

	2017					2018				
	Total Employees	Full Time	Permanent Part Time	Seasonal/ Casual Staff	TOTAL FTE	Total Employees	Full Time	Permanent Part Time	Seasonal/ Casual Staff	TOTAL FTE
GENDER										
Male	59	21		38	26.5	76	24	0	52	26.8
Female	49	13		30	19.9	57	15	5	37	21.5
Self-described AGE										
15-24	10	1		9	1.8	25	1	0	24	3.2
25-34	25	13		11	12.8	29	14	0	15	11.0
35-44	13	5		7	6.8	12	5	2	5	6.9
45-54	25	11		12	12.4	27	11	1	15	10.9
55-64	26	4		20	10.3	30	7	2	21	12.6
65+	9			9	2.3	10	1	0	9	3.6
BAND 1-6										
1	3	0		3	0.2	3	0	0	3	0.1
2	46	0		16	7.4	70	1	0	69	8.0
3	14	3		11	5.6	12	2	0	10	4.8
4	17	10		6	11.4	19	12	1	6	12.2
5	8	6		1	6.7	9	7	2	0	7.4
6	6	3		1	4.4	6	3	2	1	5.5
Senior Managers										
7A	7	5			5.6	4	4	0	0	2.8
7B	4	4			3.8	8	8	0	0	6.1
GSERP	3	3			1.2	2	2	0	0	1.3

COMPLIANCE

INFORMATION & COMMUNICATIONS

For the 2018 reporting period Resort Management had a total Information & Communications Technology expenditure of \$175,000:

<i>BAU Expenditure</i>	<i>Non-BAU Expenditure to Create or Enhance ICT Capability</i>		
<i>TOTAL</i>	<i>TOTAL</i>	<i>OPERATIONAL</i>	<i>CAPITAL</i>
\$123,000	\$52,000	\$0	\$52,000

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

Resort Management 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 Resort Management in the recruitment process, performance management and in the resolution of any disputes. Resort Management has advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

Resort Management 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. Resort Management 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. 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
- risk to public health or safety or the environment
- 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 Resort Management or its board members, officers or employees by contacting IBAC on the contact details provided below.

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

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

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

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.

CONSULTANCIES

Details of consultancies (valued at \$10,000 or greater)

In 2018, there were 7 consultancies where the total fees payable to the consultants were \$10 000 or greater. The total expenditure incurred during 2018 in relation to these consultancies was \$281,000 (excl. GST).

<i>Consultancy</i>	<i>Project</i>	<i>Approved Project Fee</i>	<i>2018 Expenditure</i>	<i>(\$000's exc GST) Future Committed Expenditure</i>
Biosis Research Pty Ltd Thompson Kelly & Lewis Pty Ltd	Water Storage Facility	233	82	151
T/A Flowserve	Water Supply System	11	11	0
GHD Pty Ltd	Water Storage Facility	139	7	65
GMR Engineering Services	Roads & Carparks including Cornhill	37	4	0
Kokkin & Brown Pty Ltd	Human Resources	47	37	0
SHK Asia Pacific Pty Ltd	Human Resources	17	4	0
Richard Tarr Consulting Pty Ltd	Water Storage Facility	13	7	0

Details of consultancies (valued at less than \$10,000)

In 2018, there were 16 consultancies engaged during the year, where the total fees payable to the consultants was less than \$10 000. The total expenditure incurred during 2018 in relation to these consultancies was \$65,311 (excl. GST).

GOVERNMENT ADVERTISING EXPENDITURE

Resort Management's expenditure in the 2018 reporting period on government campaign expenditure did not exceed \$100 000.

MAJOR CONTRACTS

Resort Management did not enter into any major contracts during 2018.

A 'major contract' is a contract entered into during the reporting period valued at \$10 million or more.

LOCAL JOBS FIRST – 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. Resort Management did not commence any tenders or enter any contracts worth over \$1 million during 2018.

COMPLIANCE WITH BUILDING & MAINTANCE PROVISIONS OF THE BUILDING ACT 1993

The RMB owns buildings located on Mt Buller and Mt Stirling and consequently is required to include a statement on its compliance with the building and maintenance provisions of the Building Act 1993 in relation to those buildings.

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

In relation to existing buildings, the RMB's Projects & Infrastructure Team is responsible for mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and monthly and annual fire service audits.

These inspections then inform the works program which is delivered annually through existing maintenance contracts. In 2018;

- There were 0 major works projects undertaken by the RMB (greater than \$50 000)
- There were 0 building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the RMB;
- There were 0 emergency orders and building orders issued in relation to buildings;
- There were 0 buildings that have been brought into conformity with building standards during the reporting period

FREEDOM OF INFORMATION

The Freedom of Information Act 1982 (the Act) allows the public a right of access to documents held by Resort Management. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by Resort Management. This comprises documents both created by Resort Management or supplied to Resort Management by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by Resort Management is available on Resort Management's website under its Part II Information Statement.

The Act allows Resort Management to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to Resort Management in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (Fol) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

If an applicant is not satisfied by a decision made by Resort Management, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

Fol requests can be lodged online at www.foi.vic.gov.au. An application fee of \$28.90 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to Resort Management's Freedom of Information Officer, as detailed in s17 of the Freedom of Information Act 1982.

When making an Fol request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of Resort Management should be addressed to: Freedom of Information Officer

Mount Buller Mount Stirling Resort Management
Alpine Central
10 Summit Road
Mount Buller, Victoria, 3723

FoI statistics/timeliness

During 2018, Resort Management received 2 applications. Of these requests, 2 were from the general public.

Resort Management made 1 FoI decision during the 12 months ended 31 December 2018.

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 Resort Management 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 Resort Management operations and include health and safety, property, environment, finance and internal controls. Resort Management's organisational culture is built around providing a safe and rewarding experience for guests, residents and employees visiting, living or working in the Resorts.

Resort Management has a Risk Management Policy and risk management systems to assist staff to understand their responsibilities and create a culture of safety. Resort Management 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 Resort Management controls and mitigation strategies. The register is reviewed on a regular basis to ensure proper consideration of newly identified and existing risks.

COMPETITIVE NEUTRALITY POLICY

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned.

Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

Resort Management continues to comply with the requirements of the Competitive Neutrality Policy.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

There were no significant matters, which changed our financial position during the reporting period.

SIGNIFICANT CHANGES OR FACTORS AFFECTING PERFORMANCE

There were no significant changes or factors which affected our performance during the reporting period.

CAPITAL PROJECTS

None of the capital projects managed by the RMB and completed during the 2018 financial year exceeded the disclosure threshold of \$10 million.

STAFF BONUSES

No bonuses were paid to any Resort Management employees in 2018.

SUBSEQUENT EVENTS

There were no subsequent events.

AVAILABILITY OF OTHER INFORMATION

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the RMB and are available (in full) on request, subject to the provisions of the Freedom of Information Act 1982:

- (a) details of publications produced by the RMB about itself, and how these can be obtained;
- (b) details of any major external reviews carried out on the RMB;
- (c) details of major research and development activities undertaken by the RMB;
- (d) details of major promotional, public relations and marketing activities undertaken by the RMB to develop community awareness of the entity and its services;
- (e) details of changes in prices, fees, charges, rates and levies charged.

The information is available on request from:

Kelly Purton
Office Manager
Mt Buller Mt Stirling Resort Management
Phone: (03) 5777 7201
Email: kelly.purton@mtbuller.com.au

ATTESTATION OF COMPLIANCE WITH VICTORIAN PUBLIC SECTOR TRAVEL PRINCIPLES

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



28 February 2019

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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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

Freedom of Information Act 1982

Building Act 1993

Protected Disclosure Act 2012

Victorian Industry Participation Policy Act 2003

Financial Management Act 1994

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 Corporate Services 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 2018 and financial position of the Mount Buller and Mount Stirling Alpine Resort Management Board at 31 December 2018.

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 28 February 2019.



Jacqueline Jennings
Chairperson



Mark Bennetts
Chief Executive Officer



Emily O'Neill
Corporate Services Manager

28 February 2019

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

		(\$ thousand)	
Continuing Operations Income from transactions	NOTE	2018	2017
Gate entry	2	7,080	5,930
Site rental	2.1.2	4,515	4,189
Service charges	2	4,042	3,958
Government grants	2	-	74
Other income	2.1.1	713	932
Total income from transactions		16,350	15,083
Expenses from transactions			
Employee Expenses	3.1.1	4,298	4,503
Contracted Services, Utilities and Materials	3.1.4	5,261	5,070
Administration & Compliance	3.1.4	1,597	1,322
Marketing & Communications		857	975
Depreciation	4.1.1	2,722	2,035
Interest expense	6.1	40	51
Other Operating Expenses		311	504
Total expenses from transactions		15,106	14,460
Net result from transactions (net operating balance)		1,244	623
Other economic flows included in net result			
Net gain/(loss) on other non-financial assets	8.1	(36)	(790)
Total other economic flows included in net result		(36)	(790)
Net Result		1,208	(167)
Other economic flows – other comprehensive income Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.2	833	31,209
Total other economic flows – other comprehensive income		833	31,209
Comprehensive result		2,041	31,042

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

BALANCE SHEET FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

(\$ thousand)

Assets	<i>NOTE</i>	<i>2018</i>	<i>2017</i>
Financial Assets			
Cash and cash equivalents	6.2	5,648	4,597
Receivables	5.1	1,626	1,521
Total Financial Assets		7,274	6,118
Non-Financial Assets			
Inventories		35	23
Intangibles		12	7
Prepayments	5.3	346	352
Infrastructure, property, plant and equipment	4.1	196,986	196,327
Total Non-Financial Assets		197,378	196,709
Total Assets		204,652	202,827
Liabilities			
Payables	5.2	843	1,057
Borrowings	6.1	799	976
Employee Benefit Provisions	3.1.2	598	593
Other liabilities	5.4	226	57
Total Liabilities		2,466	2,683
Net Assets		202,186	200,144
Equity			
Contribution by Owner		137,489	137,488
Accumulated Surplus		10,062	8,854
Physical Asset revaluation surplus	8.2	54,635	53,802
Net Worth		202,186	200,144

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	<i>Physical Asset Revaluation Surplus</i>	<i>Accumulated Surplus</i>	<i>Contributions by Owner</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2017	22,593	9,021	137,439	169,053
Net Result for the period	-	(167)	-	(167)
Other comprehensive income for the period	31,209	-	-	31,209
Transaction with owner in the capacity as owner	-	-	49	49
Balance at 31 December 2017	53,802	8,854	137,488	200,144
Net result for the year	-	1,208	-	1,208
Other comprehensive income for the year	833	-	-	833
Balance at 31 December 2018	54,635	10,062	137,488	202,185

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

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

		(\$ thousand)	
Cash Flows from operating activities	NOTE	2018	2017
Receipts			
Receipts from customers		17,557	15,775
Receipts from government		18	171
Interest received		64	74
Total Receipts		17,639	16,020
Payments			
Payments to suppliers and employees		(13,615)	(13,388)
Interest and other costs of finance paid		(40)	(51)
Net Goods and Services Tax paid to the ATO		(82)	(145)
Total Payments		(13,737)	(13,584)
Net Cash Flow from/(used in) operating activities	6.2.1	3,902	2,436
Cash flows from investing activities			
Payments for infrastructure, property, plant and equipment Payment for Intangibles		(2,767)	(2,176)
		(5)	-
Proceeds from sale of property, plant and equipment		98	130
Net cash from/(used in) investing activities		(2,674)	(2,046)
Cash Flows from financing activities			
Repayment of borrowings		(177)	(249)
Contributions by State Government		-	50
Net cash from/(used in) financing activities		(177)	(199)
Net increase/(decrease) in cash and cash equivalents		1,051	191
Cash and cash equivalents at the beginning of the financial year		4,597	4,406
Cash and cash equivalents at the end of the financial year	6.2	5,648	4,597

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 2018. 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 2018 to 31 December 2018.

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.

Gate entry

Gate entry revenue (including from the sale of season access passes) is recognised when received. Revenue related to season access passes received in the period in advance of the period to which the season pass relates to is recognised as a liability and released as income in the period to which the season pass relates.

Service charges

Service charge revenue is brought to account when a rate/tariff is levied or determined for service charges payable 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 leads to an increased number of beds. This is levied upon completion of the development.

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).

2.1.1 Other Income

	(\$ thousand)	
	2018	2017
Marketing Revenue	163	210
Taxi transport commission	-	144
Interest Income	87	74
Other Income	463	504
	713	932

Marketing Revenue, Taxi Transport Commission & Interest

Marketing Revenue and Taxi Transport Commission are recognised when received. Interest income is recognised upon gaining the control of the right to receive the interest payment.

Other Income

Other income includes miscellaneous commissions, consent fees, licence fees and miscellaneous rental. These revenue items are recognised when the good or services have been provided.

2.1.2 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 Valuer-General 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.

2. FUNDING DELIVERY OF OUR SERVICES (continued)

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.

	(\$ thousand)	
	2018	2017
Non-cancellable operating lease income		
Site rent	4,515	4,189
Gas income	85	77
	4,600	4,266

	(\$ thousand)	
	2018	2017
Non-cancellable operating lease receivables		
Not longer than 1 year	4,195	3,987
Longer than 1 year and not longer than 5 years	14,403	13,059
Longer than 5 years	60,427	59,483
	79,025	76,529

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

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

	(\$ thousand)	
	2018	2017
Superannuation expense	332	353
Salaries, wages, annual leave and long service leave	3,789	4,007
Other employee benefits	33	3
Termination benefits	144	140
Total employee expenses	4,298	4,503

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 defined contribution superannuation plans that are paid or payable during the reporting period.

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 (continued)

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.

	(\$ thousand)	
	2018	2017
Current provisions:		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	161	132
Unconditional and expected to settle after 12 months	16	13
<i>Long Service Leave entitlements</i>		
Unconditional and expected to settle within 12 months	15	14
Unconditional and expected to settle after 12 months	256	282
<i>Other Employee Benefits</i>		
Accrued day off (ADO) entitlements	10	7
	<u>458</u>	<u>448</u>
Provision for on-costs		
Unconditional and expected to settle within 12 months	7	9
Unconditional and expected to settle after 12 months	11	18
	<u>18</u>	<u>27</u>
Total current provisions for employee benefits	<u>476</u>	<u>475</u>
Non-current provisions:		
Employee benefits		
Conditional long service leave entitlements	117	114
On-costs	5	4
Total non-current provisions for employee benefits	<u>122</u>	<u>118</u>
Total provision for employee benefits	<u>598</u>	<u>593</u>

	(\$ thousand)
	2018
Reconciliation of movement in on-cost provision	
Opening Balance	31
Additional provisions recognised	7
Reductions arising from payments/other sacrifices of future economic benefits	(15)
Closing Balance	<u>23</u>
Current	<u>18</u>
Non-Current	<u>5</u>
	<u>23</u>

3. EXPENSES INCURRED IN DELIVERY OF SERVICES (continued)

3.1.2 Employee benefits in the balance sheet (continued)

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.

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'.

3.1.3 Superannuation contributions

Employees of the RMB are entitled to receive superannuation benefits and the RMB contributes to defined contribution plans.

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

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

	(\$thousand)			
	<i>Paid contribution for the year</i>		<i>Contribution outstanding at year end</i>	
Defined Contribution	2018	2017	2018	2017
Vic Super	77	67	7	2
Aust Retirement Fund	66	57	4	4
First Super	30	35	3	3
Host Plus Superannuation	54	59	5	5
Sunsuper Superannuation Fund	-	7	-	-
Other	105	128	16	14
Total	332	353	35	28

3. EXPENSES INCURRED IN DELIVERY OF SERVICES (continued)

3.1.4 Expenses from transactions other than employee benefits

	(\$ thousand)	
	2018	2017
Contracted Services, Utilities & Materials		
Contractors & Contracted Services	2,818	2,729
Utilities	1,026	923
Waste Services	750	665
Materials & Maintenance	550	547
Consultants	117	206
Total	5,261	5,070
Administration & Compliance		
Insurance	487	460
ARCC Contributions	383	480
Other Administration & Compliance	727	382
Total	1,597	1,322

Contracted Services, Utilities and Materials

Contracted services, utilities and materials costs relate to the costs incurred with delivering services and maintaining the infrastructure of the resort. The costs associated with the expense items above are recognised either when the goods or service have been received, or in the terms agreed to in contracts.

Administration and Compliance

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

Marketing and Communications

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

Other Operating Expenses

Other operating expenses costs include miscellaneous items associated general operations. The associated costs are recognised when the goods or service has been received.

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.1 Total, Infrastructure, Property, Plant & Equipment

	(\$ thousand)	
	2018	2017
<i>Land</i>		
Land at Fair Value – Mount Buller - Village	92,318	92,318
Land at Fair Value – Mount Buller - Other	3,647	3,647
Land under Roads at Fair Value – Mount Buller	7,020	7,020
Land at Fair Value – Mount Stirling	3,132	3,132
Total Land at Fair Value	106,117	106,117
<i>Buildings</i>		
Buildings at Fair Value	22,798	22,752
Less Accumulated Depreciation	(769)	-
Total of Buildings at Fair Value	22,029	22,752
<i>Infrastructure Assets</i>		
Infrastructure - Garbage	264	256
Less Accumulated Depreciation	(23)	-
Total Infrastructure - Garbage	241	256
Infrastructure - Gas	1,037	1,015
Less Accumulated Depreciation	(36)	-
Total Infrastructure - Gas	1,001	1,015
Infrastructure - Mt Stirling	9,717	9,538
Less Accumulated Depreciation	(81)	-
Total Infrastructure - Mt Stirling	9,636	9,538
Infrastructure - Sewerage	8,029	7,398
Less Accumulated Depreciation	(231)	-
Total Infrastructure - Sewerage	7,798	7,398
Infrastructure - Village Services	2,854	2,885
Less Accumulated Depreciation	(185)	-
Total Infrastructure - Village Services	2,669	2,885
Infrastructure - Water	8,703	8,316
Less Accumulated Depreciation	(161)	-
Total Infrastructure - Water	8,542	8,316

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (continued)

4.1 Total, Infrastructure, Property, Plant & Equipment (continued)

Infrastructure - Roads & Carparks	34,826	33,093
Less Accumulated Depreciation	(875)	-
Total Infrastructure - Roads & Carparks	33,951	33,093
Total of Infrastructure Assets at Fair Value	63,838	62,501
<i>Plant, equipment and motor vehicles</i>		
Plant, equipment and motor vehicles at Fair Value	5,876	5,872
Less Accumulated Depreciation	(4,164)	(3,784)
Total of Plant, Equipment & Motor Vehicles at Fair Value	1,712	2,088
Art work at Fair Value	147	147
Capital Work in Progress at Cost	3,143	2,722
Total Infrastructure, Property, Plant and Equipment	196,986	196,327

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.

4.1.1 Depreciation and impairment

Charge for the period	(\$ thousand)	
	2018	2017
Buildings	767	592
Plant, equipment and motor vehicles	461	467
Infrastructure - Garbage	25	32
Infrastructure - Gas	36	32
Infrastructure - Mt Stirling	75	157
Infrastructure - Sewerage	222	193
Infrastructure - Village Services	147	117
Infrastructure - Water	175	166
Infrastructure - Roads & Carparks	814	279
Total depreciation	2,722	2,035

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.

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (continued)

4.1.1 Depreciation and impairment (continued)

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

Buildings	15 to 85 years
Infrastructure assets – Garbage	2 to 25 years
Infrastructure assets – Gas	9 to 31 years
Infrastructure assets – Mt Stirling	2 to 36 years
Infrastructure assets – Sewerage	3 to 29 years
Infrastructure assets – Village Facilities	2 to 91 years
Infrastructure assets – Water	2 to 29 years
Infrastructure assets – Roads & Carparks	3 to 31 years
Plant, equipment and motor vehicles	3 to 30 years

Impairment: Items of infrastructure, property, plant, equipment and motor vehicles 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.

The recoverable amount for most assets is measured at the higher of current 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

	<i>Land at Fair Value</i>	<i>Buildings at Fair Value</i>	<i>Infras- tructure Assets at Fair Value</i>	<i>Plant, Equipment and Motor Vehicles at Fair Value</i>	<i>Art Works at Fair Value</i>	<i>CWIP at Cost</i>	<i>Total</i>
	<i>('000)</i>	<i>('000)</i>	<i>('000)</i>	<i>('000)</i>	<i>('000)</i>	<i>('000)</i>	<i>('000)</i>
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
2018							
Opening balance	106,117	22,752	62,501	2,088	147	2,722	196,327
Additions	-	1	9	142	-	2,530	2,682
Disposals	-	-	(1)	(90)	-	(8)	(99)
Impairment	-	-	-	-	-	(35)	(35)
Depreciation	-	(767)	(1,494)	(461)	-	-	(2,722)
Transfers	-	58	1,975	33	-	(2,066)	-
Revaluations	-	(15)	848	-	-	-	833
Closing net book value	106,117	22,029	63,838	1,712	147	3,143	196,986

5. OTHER ASSETS AND LIABILITIES

Structure

Receivables	5.1
Payables	5.2
Prepayments	5.3
Other liabilities	5.4

5.1 Receivables

(\$ thousand)

	2018	2017
Current		
Contractual		
Sale of good and services	1,505	1,376
Accrued Investment Income	30	6
	<hr/> 1,535	<hr/> 1,382
Statutory		
GST input tax recoverable	91	139
	<hr/> 91	<hr/> 139
Total current receivables	<hr/> 1,626	<hr/> 1,521

Contractual receivables are classified as financial instruments. They are initially recognised at fair value plus any directly attributable transaction costs. 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 not 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 are written off when identified. 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*.

A provision for expected credit losses is raised based on the estimated lifetime expected credit loss for all receivables balances. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

Ageing analysis of receivables

Receivables	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 month	1-3 months	3 months – 1 year	Greater than 1 year	
2018	1,535	1,479	-	32	23	1	-
2017	1,382	1,342	-	4	35	1	-

The carrying value of debtors at 31 December 2018 approximates fair value. A provision of nil (2017: 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 2018 was 9.5% per annum. (2017: 9.5%)

5. OTHER ASSETS AND LIABILITIES (continued)

5.2 Payables

	(\$ thousand)	
	2018	2017
Current		
Contractual		
Supplies and services	165	293
Accrued expenses	569	599
Other payables	2	67
	736	959
Statutory		
FBT payable	13	21
Other tax payable	94	77
	107	98
Total payables	843	1,057

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

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

Maturity analysis of contractual payables

Payables	Carrying Amount	Nominal amount	Maturity Dates				
			Less than 1 month	1-3 months	3 months – 1 year	1 – 5 years	More than 5 years
2018	736	736	-	736	-	-	-
2017	959	959	-	959	-	-	-

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.

	(\$ thousand)	
	2018	2017
5.3 Prepayments		
Prepayments (current)	346	352
Total Prepayments	346	352

Prepayments 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 (continued)

	(\$thousand)	
5.4 Other liabilities	2018	2017
Unearned revenue - current	226	57
Total Other Liabilities	226	57

Other liabilities are made up of unearned revenue which includes funding received for the 2019 year, Early Bird Passes and Site Rent paid in advance.

6. HOW WE FINANCED OUR OPERATIONS

Structure

Borrowings	6.1
Cash flow information	6.2
Commitments for expenditure	6.3

6.1 Borrowings

	(\$ thousand)	
Current	2018	2017
Interest bearing loan – La Trobe University (i)	212	212
	<hr/> 212	<hr/> 212
Non-Current		
Interest bearing loan – La Trobe University (i)	587	764
	<hr/> 587	<hr/> 764
Total Borrowings	799	976

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 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.

6. HOW WE FINANCED OUR OPERATIONS (continued)

Maturity analysis of borrowings

Borrowings	Carrying Amount	Nominal amount	Maturity Dates				
			Less than 1 month	1-3 months	3 months – 1 year	1 – 5 years	More than 5 years
2018	799	799	-	35	177	587	-
2017	976	976	-	44	168	764	-

Interest expense

(\$ thousand)

	2018	2017
Interest expense	40	51
Total interest expense	40	51

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

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

	(\$ thousand)	
	2018	2017
Cash at bank and on hand	580	529
Short-term Deposits	5,068	4,068
Balance as per cash flow statement	5,648	4,597

The RMB does not have access to a bank overdraft as at 31 December 2018.

Included in these cash balances are amounts set aside for use as the RMB's Snow Drought Fund of \$600,000 (2017: \$600,000), Debt Repayment Fund of \$350,000 (2017: \$350,000) and Capital Improvement Fund of \$3,000,000 (2017: \$3,000,000). 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. HOW WE FINANCED OUR OPERATIONS (continued)

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

	(\$ thousand)	
	2018	2017
From Operating Activities to operating Profit	1,208	(167)
Operating Profit/(Loss) for the period		
Non-cash movements:		
Depreciation	2,722	2,035
Net (Gain)/Loss on Sale of Fixed Assets	1	2
Impairment of Non-current assets	35	598
Loss on revaluation of Artworks	-	190
Movements in assets and liabilities:		
Decrease/(Increase) in Trade and Other Debtors	(105)	1
Decrease/(Increase) in Inventories	(12)	3
Decrease/(Increase) in Other Current Assets	6	59
Increase/(Decrease) in Payables	(127)	(12)
Increase/(Decrease) in Current Provisions	(1)	(85)
Increase/(Decrease) in Non-Current Provisions	6	(36)
Increase/(Decrease) in Other liabilities	169	(152)
Net cash flows from/(used in) operating activities	3,902	2,436

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.

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

	(\$thousand)	
	2018	2017
Total Commitments Payable		
<i>Capital expenditure commitments</i>		
Within one year	6,002	-
Later than one year but not later than 5 years	3,300	-
Longer than 5 years	-	-
Total capital expenditure commitments (i)	9,302	-
<i>Other operating commitments</i>		
Within one year	1,423	1,317
Later than one year but not later than 5 years	5,534	3,712
Longer than 5 years	29,528	29,788
Total operating expenditure commitments	36,485	34,817
Total commitments Payable	45,787	34,817

(i) The above capital expenditure commitments are for works on the Mt Buller Water Storage Project, of which \$7.5m is funded by Regional Development Victoria

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Structure

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

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 on behalf of the Department are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

The following refers to financial instruments unless otherwise stated.

Measurement: All financial instruments held are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement these financial instruments are measured at amortised cost using the effective entered rate method (and less any impairment for assets).

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.

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*.

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.

			(\$thousand)	
			Carrying amount	Carrying amount
Contractual Financial Assets	Note	Category	2018	2017
Cash and deposits	6.2	Amortised Cost	5,648	4,597
Receivables	5.1	Amortised Cost	1,535	1,382
Total contractual financial assets			7,183	5,979
Contractual financial liabilities				
Payables	5.2	Amortised Cost	736	959
Interest bearing liabilities	6.1	Amortised Cost	799	976
Total contractual financial liabilities			1,535	1,935

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 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.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.1.2 Financial risk management objectives and policies (continued)

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.

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.

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.

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;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and

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.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.1.2 Financial risk management objectives and policies (continued)

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

(\$thousand)

	Interest Rate Exposure					Interest Risk Rate			
						-2%	Equity	Net	Equity
2018	Weighted average effective interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Net result	Equity	Net result	Equity
Financial assets:									
Cash at bank and on hand	0.05	580	-	580	-	(12)	(12)	12	12
Short-term Deposits	1.99	5,068	-	5,068	-	(101)	(101)	101	101
Receivables		1,535	-	-	1,535	-	-	-	-
Total		7,183	-	5,648	1,535	(113)	(113)	113	113
Financial liabilities:									
Payables	-	736	-	-	736	-	-	-	-
Borrowings	5	799	799	-	-	-	-	-	-
Total		1,535	799	-	736	-	-	-	-
Total increase/(decrease)						(113)	(113)	113	113
2017									
		Carrying amount				-2%	Equity	Net	Equity
Financial assets:									
Cash at bank and 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	4,597	1,364	(92)	(92)	92	92
Financial liabilities:									
Payables	-	959	-	-	959	-	-	-	-
Borrowings	5.33	976	976	-	-	-	-	-	-
Total		1,935	976	-	959	-	-	-	-
Total increase/(decrease)						(92)	(92)	92	92

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

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 7 claims that have been made against the RMB by visitors. The claims are currently being investigated by insurance assessors. In 2018 the RMB has provided for \$72,000 (2017 \$51,000) of costs in respect to these claims, being the full insurance excess payable in respect to these claims if successful.

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.

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.

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 measurements of interest bearing liabilities are classified as level 1 instruments.

Financial assets and financial liabilities are measured at amortised cost.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

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

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 approximates 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.

	Carrying amount as at 31 December 2018	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value				
Non Specialised Land	390	-	390	-
Specialised land	105,727	-	-	105,727
Total of land at fair value	106,117	-	390	105,727
Buildings at fair value				
Non-specialised buildings	100	-	100	-
Specialised buildings	21,929	-	-	21,929
Total of buildings at fair value	22,029	-	100	21,929
Plant, equipment and vehicles at fair value				
Vehicles	686	-	-	686
Plant and equipment	1,026	-	-	1,026
Total of plant, equipment and vehicles at fair value	1,712	-	-	1,712
Infrastructure at fair value				
Infrastructure - Garbage	241	-	-	241
Infrastructure - Gas	1,001	-	-	1,001
Infrastructure – Mt Stirling	9,636	-	-	9,636
Infrastructure – Sewerage	7,798	-	-	7,798
Infrastructure – Village Facilities	2,669	-	-	2,669
Infrastructure - Water	8,542	-	-	8,542
Infrastructure – Roads & Carparks	33,951	-	-	33,951
Total of infrastructure at fair value	63,838	-	-	63,838
Cultural assets at fair value				
Artworks	147	-	147	-
Total of cultural assets at fair value	147	-	147	-

(i) Classification in accordance with the fair value hierarchy

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

7.3.2 Fair value determination of non-financial assets

Fair value measurement hierarchy for assets as at 31 December 2017

(\$ thousand)

	Carrying amount as at 31 December 2017	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value				
Non Specialised Land	390	-	390	-
Specialised land	105,727	-	-	105,727 ⁽ⁱⁱ⁾
Total of land at fair value	106,117	-	390	105,727
Buildings at fair value				
Non-specialised buildings	100	-	100	-
Specialised buildings	22,652	-	-	22,652
Total of buildings at fair value	22,752	-	100	22,652
Vehicles	932	-	-	932
Plant & Equipment	1,156	-	-	1,156
Total of plant, equipment and vehicles at fair value	2,088	-	-	2,088
Infrastructure at fair value				
Infrastructure - Garbage	256	-	-	256
Infrastructure - Gas	1,015	-	-	1,015
Infrastructure – Mt Stirling	9,538	-	-	9,538
Infrastructure – Sewerage	7,398	-	-	7,398
Infrastructure – Village Facilities	2,885	-	-	2,885
Infrastructure - Water	8,316	-	-	8,316
Infrastructure – Roads & Carparks	33,093	-	-	33,093
Total of infrastructure at fair value	62,501	-	-	62,501
Artwork	147	-	147	-
Total of cultural assets at fair value	147	-	147	-

(i) Classification in accordance with the fair value hierarchy

(ii) eased land assets to the value of \$92,318,000 have been reclassified from level 2, as disclosed in the 2017 financial statements, to level 3. This is based on updated information identifying that a discount factor is applied to the valuation of these assets, being an unobservable input

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

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 effective date of the valuation is 31 December 2017. 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.

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

The fair value of specialised non-leased 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 current 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 un-serviced) 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 current 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 current 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. An independent valuation of the RMB's infrastructure and road infrastructure 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 current 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. For plant, equipment and motor vehicles, existing depreciated historical cost is generally a reasonable proxy for current replacement cost because of the short lives of the assets concerned.

There were no changes in valuation techniques throughout the period to 31 December 2018. For all assets measured at fair value, the current use is considered the highest and best use.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

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

Reconciliation of Level 3 fair value

2018	<i>Specialised land</i>	<i>Specialised buildings</i>	<i>Vehicles</i>	<i>Plant and equipment</i>	<i>Infrastructure</i>
Opening balance	105,727	22,652	932	1,156	62,501
Purchases (sales)	-	59	(90)	175	1,982
Depreciation	-	(767)	(156)	(305)	(1,494)
Subtotal	-	(708)	(246)	(130)	488
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	-	(15)	-	-	848
Subtotal	-	(15)	-	-	848
Closing balance	105,727	21,929	686	1,026	63,837

Reconciliation of Level 3 fair value

2017	<i>Specialised land</i>	<i>Specialised buildings</i>	<i>Vehicles</i>	<i>Plant and equipment</i>	<i>Infrastructure</i>
Opening balance	110,468	15,610	905	1,065	33,779
Purchases (sales)	-	68	196	389	1,336
Depreciation	-	(582)	(169)	(298)	(976)
Subtotal	-	(514)	27	91	360
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	(4,741)	7,556	-	-	28,362
Subtotal	(4,741)	7,556	-	-	28,362
Closing balance	105,727	22,652	932	1,156	62,501

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (continued)

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

Description of significant unobservable inputs to Level 3 valuations

	<i>Valuation technique</i>	<i>Significant Unobservable Inputs</i>
Specialised Land		
Land under Roads	Market approach	Extent & Impact of Restriction of Use
Specialised Land – Leased	Present value of site income combined with the reversion value of the site at the expiration of the lease term	Discount Rate
Specialised Land – Non-Leased	Market approach	Community Service Obligation (CSO)
Specialised buildings-General	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
Specialised buildings-Alpine Central	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
Vehicles	Current replacement cost	Cost per unit Useful life of vehicles
Plant and equipment	Current replacement cost	Cost per unit Useful life of plant and equipment
Infrastructure - Garbage	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure - Gas	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Mt Stirling	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Sewerage	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Village	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Water	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure – Roads & Carparks	Current replacement cost	Cost per unit Useful life of the infrastructure

These significant observable inputs remain unchanged from 31 December 2018.

8. OTHER DISCLOSURES

Structure

Other economic flows included in net result	8.1
Physical asset revaluation surplus	8.2
Responsible persons	8.3
Remuneration of executives	8.4
Related party transactions	8.5
Remuneration of auditors	8.6
Subsequent events	8.7
Other accounting policies	8.8
Australian Accounting Standards issued that are not yet effective	8.9
Style Conventions	8.10

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 *Physical asset revaluation surplus*.

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

	(\$ thousand)	
	2018	2017
Net gain/(loss) on non-financial assets		
Revaluation of Artworks	-	(190)
Impairment of Capital works in progress	(35)	(598)
Net gain/(loss) on disposal of physical assets	(1)	(2)
Total Net gain/(loss) on non-financial assets	(36)	(790)

8. OTHER DISCLOSURES (continued)

8.2 Physical asset revaluation surplus

	(\$ thousand)	
Physical asset revaluation surplus	2018	2017
Balance of Land revaluation surplus at beginning of the financial year	82	4,653
Revaluation of land	-	(4,571)
Balance of land revaluation surplus at the end of the financial year	82	82
Revaluation of buildings	(15)	7,418
Balance of buildings revaluation surplus at the end of the financial year	12,964	12,979
Balance of Infrastructure revaluation surplus at beginning of the financial year	40,741	12,379
Revaluation of infrastructure	848	28,362
Balance of Infrastructure revaluation surplus at the end of the financial year	41,589	40,741
Balance physical asset revaluation surplus at end of year	54,635	53,802

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 de-recognition of the relevant asset.

8. OTHER DISCLOSURES (continued)

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

were: Lily D'Ambrosio MLA (*Minister for Energy, Environment and Climate Change*)

Jacqui Jennings, (*Deputy Chairman of RMB*) - *reappointed 29/03/2018, Chairman from 01/04/2017*

Ian Maxfield, (*RMB Member*) – *ceased 28/03/2018*

Andrew Evans, (*RMB Member*) – *ceased 28/03/2018*

Zita Peach, (*RMB Member*) – *ceased 28/03/2018*

Chris Pattas, (*RMB Member*) – *ceased 28/03/2018*

Michelle Croughan, (*RMB Member*) – *reappointed 29/03/2018*

Richard Leader, (*RMB Member*) – *appointed 29/03/2018*

Michael Monester, (*RMB Member*) – *appointed 29/03/2018*

Sue Lebish, (*RMB Member*) – *appointed 29/03/2018*

Helen Moran, (*RMB Member*) – *appointed 29/03/2018*

Peter Valerio, (*RMB Member*) – *appointed 29/03/2018*

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 2018 was \$315,421 (2017: \$365,244). The number of responsible persons whose remuneration from the RMB was within the specified bands is as follows:

\$000's	2018	2017
1-10	6	6
11-20	5	-
41-50	-	1
111-120	-	1
161-170	-	1
231-240	1	-

The relevant Minister's remuneration is reported separately in the financial statements of the Department of Parliamentary Services.

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. A total annualised employee equivalent 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.

8. OTHER DISCLOSURES (continued)

8.4 Remuneration of executives (continued)

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.

(\$ thousand)

Total remuneration

Remuneration of executive officers

(including Key management Personnel disclosed in Note 8.5)	2018	2017
Short-term employee benefits	1,091	1,071
Post-employment benefits	91	96
Other long-term benefits	32	28
Termination benefits	144	140
Total remuneration^(a)	1,358	1,335
Total number of executives	12	10
Total annualised employment equivalents (AAE)^(b)	6.7	8.0

Notes:

- 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).
- 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 \$11,984 (2017 \$199,081) from Government related entities, made operational payments of \$73,132 (2017 \$115,775), and received interest income of \$87,440 (2017\$74,431).

The government-related entity transactions for the year include:

- \$11,984 in Government Services income from the Department of Economic Development, Jobs, Transport and Resources.
- \$52,250 in payments to the Department of Environment, Land, Water and Planning for 2017 asset revaluations performed by the Valuer-General Victoria's Office.
- \$16,700 in payments to the Department of Environment, Land, Water and Planning for valuation fees in relation to properties on Mt Buller.
- \$4,182 in payments to the Department of Environment, Land, Water and Planning for planning applications and other minor expense.

8. OTHER DISCLOSURES (continued)

8.5 Related party transactions (continued)

- The RMB received \$87,440 in interest from the Treasury Corporation of Victoria for monies invested during the 2017 year. At year end total investments of \$5,068,007 were held with Treasury Corporation of Victoria. Interest of \$29,565 is owed to RMB at 31 December 2018 in respect to these investments.

Key management personnel of the RMB include 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	Ian Maxfield	Outgoing board member
RMB	Andrew Evans	Outgoing board member
RMB	Chris Pattas	Outgoing board member
RMB	Zita Peach	Outgoing board member
RMB	Michelle Croughan	Governing board member
RMB	Richard Leader	Governing board member
RMB	Sue Lebish	Governing board member
RMB	Michael Monester	Governing board member
RMB	Helen Moran	Governing board member
RMB	Peter Valerio	Governing board member
RMB	Mark Bennetts	Chief Executive Officer

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

(\$ thousand)

Compensation of Key Management Personnel	2018	2017
Short-term employee benefits	285	256
Post-employment benefits	25	24
Other long-term benefits	5	4
Termination benefits	-	81
Total remuneration^(a)	315	365

(a) Note that some Key management Personnel are also included in the disclosure of remuneration of executive officers (Note 8.4).

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:

	2018	2017
	\$'000	\$'000
Molony's Apartments Pty Ltd		

Revenue received ⁽¹⁾	27	105
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(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. All other related party transactions are immaterial.

8. OTHER DISCLOSURES (continued)

8.6 Auditor's Remuneration

	(\$ thousand)	
	2018	2017
Audit Services		
Internal Auditor	6	-
Victorian Auditor-General	24	35
Total Audit Services	30	35

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

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 (continued)

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 2018 reporting period. The RMB assess the impact of all these new standards to determine their applicability and early adoption.

As at 31 December 2018, 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 2018. The RMB has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning	Impact on RMB 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. 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 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019 reporting period. The assessment has indicated that there will be no significant impact for the RMB.
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 1058 <i>Income of Not-for-Profit Entities</i>	This standard will replace AASB 1004 Contributions and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives. The restructure of administrative arrangement will remain under AASB 1004.	1 January 2019	The assessment has indicated that there will be no significant impact for the RMB.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that there will be no significant impact for the RMB. No leases of significance have been entered into as leasee.

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 2017-18 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 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 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 Members of the Mount Buller and Mount Stirling Alpine Resort Management Board

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

- balance sheet as at 31 December 2018
- 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 significant accounting policies
- declaration by the chairperson of the board, accountable officer's and chief executive officer and corporate services manager.

In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

Board's responsibilities for the financial report The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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 entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
1 March 2019



SIMONE BOHAN
as delegate for the Auditor-General of Victoria

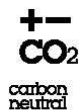
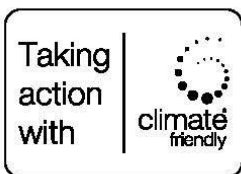


Wombat

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