



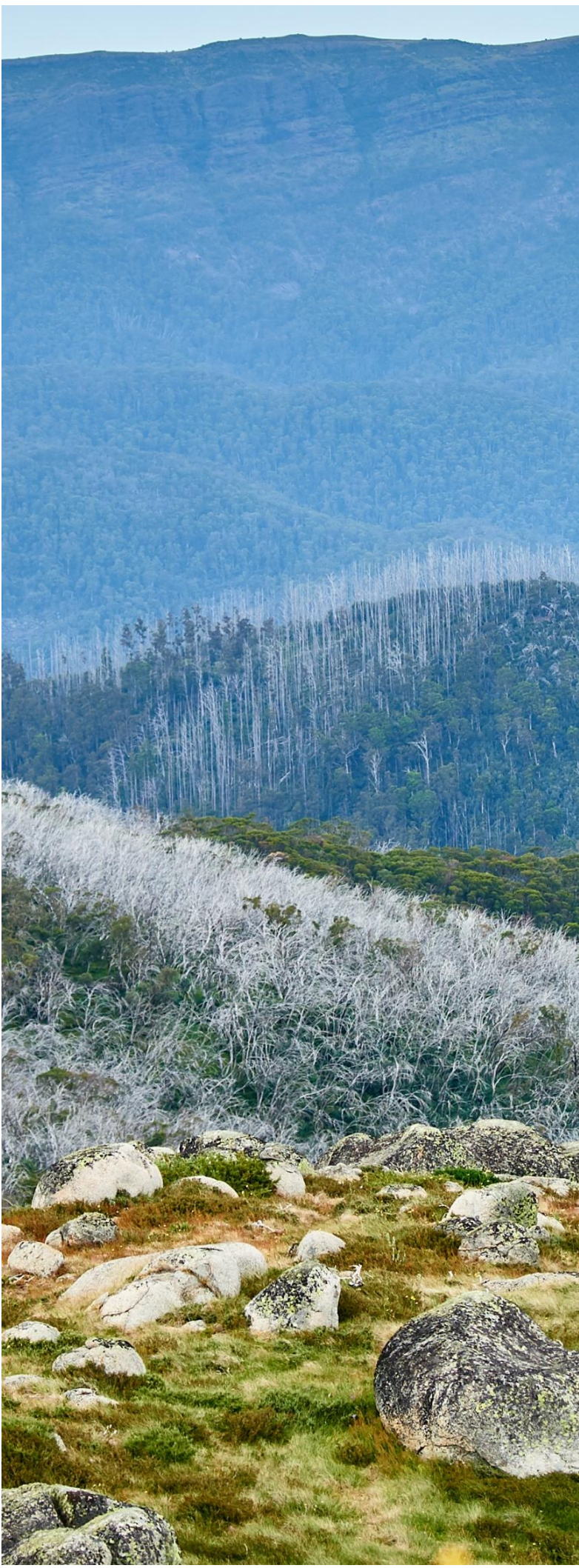
MT BULLER MT STIRLING ALPINE RESORT MANAGEMENT BOARD

# ANNUAL REPORT

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2019





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## 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 2019.

Dr. Jacqueline Jennings  
Chair  
30 April 2020

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# BOARD CHAIR REPORT



Several good snow seasons and a continued focus on working together are paying off with great progress in many areas that are important for the immediate and long-term future of the Mt Buller & Mt Stirling Resorts.

Since 2017, the Resort Management Board's (RMB) focus has been on improving governance practices, rebuilding trust and relationships with stakeholders, rebuilding the RMB team, and progressing the short and long-term strategies and actions required to make Mt Buller and Mt Stirling even better. The Board's simple vision is to significantly increase visitation all year round and achieve long term sustainability, financial viability, effective environmental management, and compliant operations. This continued to drive our efforts through 2019.

Capacity is one of our key challenges. Over the past 3 years, Mt Buller & Mt Stirling generated an estimated \$2,100m in regional spending, 3,300 full-time equivalent jobs and \$1,000m to Victoria's Gross State Product. In discussions with Stakeholders, we believe this can increase up to 30% by leveraging the continued strong population growth in Melbourne. However we are severely inhibited from achieving this growth because of capacity constraints in parking, public spaces, toilets, potable water, waste-water treatment, and staff accommodation – all of which require significant investment if this growth is to be achieved.

The Board continued to tackle these constraints during 2019. A parking strategy was developed and the first stage delivered with the creation of a new carpark along Corn Hill Road. A \$4.5m plan to increase capacity and compliance of the Mt Buller sewage treatment plant was developed and submitted to the Environmental Protection Agency for review, and a \$0.5m grant application submitted for funds from the Victorian Government's Regional Infrastructure Fund to help this project progress in a timely manner. In addition, a visual masterplan was developed with a vision of how the Mt Buller Village Square and surrounds could be developed to deal with capacity, improve visitor amenity, and increase the reasons for visitors to come in summer and winter. These will be shared and discussed with stakeholders and visitors through 2020 so that we can establish a shared vision of the future direction for our resorts.

Climate change was an ever present subject through 2019, and poses long-term risk to the viability of snow resorts around the world. The Board has recognised this for many years and continued its long standing approach to mitigation and adaptation through 2019 including strong flora and fauna management programs, composting program, waste minimisation program and efforts to reduce the resorts' carbon footprint. The snowmaking partnership created between the RMB and Buller Ski Lifts in 2015 is one key plank in the Board's adaptation strategy. It involves the parties equally sharing all snowmaking costs and underpins the vitally important continued investment and expansion of the snowmaking system. It was exciting to see the long-awaited project to create a 100ML reservoir finally commence this year, which will assure much needed water security in summer months and is expected to double the amount of water available for snowmaking in future years.

Another key plank in the Board's adaptation strategy is to progressively develop and provide additional reasons for visitors to come to Mt Buller & Mt Stirling in both summer and winter. These are incorporated into our master planning work.

The Board and many stakeholders invested significant time and effort in helping the Alpine Resorts Coordinating Council to develop a new Alpine Resorts Strategic Plan to replace the 2012 plan. This involved a collaborative effort across the wide range of government bodies, Resort Management Boards, stakeholders and industry representatives. Once approved, this new plan will shape the development of individual Strategic Management Plans for Mt Buller and for Mt Stirling. The Board also successfully advocated for a review of the 2002 Alpine Resorts Leasing Policy Implementation Details to address a number of stakeholder concerns related to neighbourhood character, fairness, and investment, and was pleased that the government commenced a formal review. The four Victorian Alpine Resort Management Boards also continued to work collaboratively on addressing common issues in an efficient manner, including an integrated snow marketing campaign delivered by Tourism North East, a single Employee Assistance Program and Learning Management System (between Buller/Stirling and Mt Hotham) and a single internal audit contract across the three northern resorts.

On behalf of the entire Board, I would like to recognise the hard work and collegiate spirit of everyone who has helped make 2019 a successful year, including Minister D'Ambrosio and her staff, the RMB team, and the wonderful members of our passionate and energetic stakeholders. We look forward to this continuing in future years as we work constructively together to make Mt Buller and Mt Stirling an even better place to live, visit or invest.

A handwritten signature in black ink, appearing to read 'Jacqueline Jennings'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dr Jacqueline Jennings  
Chair

# CHIEF EXECUTIVE OFFICER REPORT



To say that 2019 was a busy year would be an understatement, given the huge level of development and change underway as the Resort Management Board, Buller Ski Lifts, and many other Stakeholders work together and individually to make Mt Buller and Mt Stirling even better.

The building boom included completion of the Bella Vista apartment complex, the modular Kabuki apartments and more WhiteHorse chalets. The multi-year Kooroora redevelopment continued, including a land swap between the RMB and Grollo Group to allow an enlarged Village Square which attracted universal support through the season. Buller Ski Lifts (BSL) installed lights on Chamois for Olympic athletes to train at night and for events such as the Abom Mogul Challenge which was held at night for the first time in its 31 year history. BSL purchased a portable SF100 snow factory as part of its snowmaking partnership with the RMB, which proved crucial on Bourke Street, the Magic Forest and the toboggan parks early in the season. And BSL installed the new \$6m Bourke Street Express lift to increase lifting capacity and comfort and to increase the skiable area under the lift.

The RMB was also busy, spending \$3.6m on projects before and after the snow season. The Clancy's Run mountain bike trail was refurbished, TBJ potable water facilities upgraded, Mirimbah Park works completed to lessen damage when using it for winter parking, a new sewage treatment boiler was installed to reduce gas consumption, and 3 staircases installed to improve pedestrian safety amongst the carparks. The medical centre was upgraded, the Village toboggan slope extended including dedicated seating and entrance closer to the Village Square, and a 220 vehicle overnight carpark and emergency helipad was constructed along Corn Hill Road - although time ran out to seal these before winter.

We thankfully saw construction start on the long awaited 100ML reservoir near the base of the Mt Buller summit. After 10 years and over \$2.5m spent getting to this point, the \$11.3m project to actually develop the reservoir was approved early in 2019 and the contract awarded to Entracon. Detailed design was completed through winter and work commenced soon after the snow season closed. At the end of 2019 the reservoir was on track to be operational for the 2020 season. Given the extra water this will provide, BSL brought forward its plans for

snowmaking on Standard Run at a cost of \$2m, which is also set to be finished in time for 2020.

Operations generally ran well throughout 2019. Season pass and village permit sales were high, and online resort entry sales continued to grow strongly. The additional parking meant the day carparks only closed once - although it was also a moderate year for visitor numbers. The road clearing crews kept the roads and carparks open, even when other resorts found they had to close during strong snowfalls. The resort entry and parking crews kept the vehicles flowing, toboggan marshals implemented improved safety arrangements, paid and volunteer ski patrollers kept the Stirling trails open and safe, the administration team managed the financials and timely lease approvals, a trial with BSL helped deliver the marketing and events program while saving \$150k p.a., and the water operations team ran the sewage treatment plant with no non-compliances for the first winter in many years.

The one significant downside was TravelSafe's performance in its first season as the new transport provider. Awarded the contract through public tender, TravelSafe had only 3 months to prepare for the season and struggled with many challenges. There were highlights, with the Snow Play Express from Mirimbah growing in popularity, reducing pressure on the carparks and reducing congestion in the Village Square. Active queue management under marquees helped largely eliminate the chronic afternoon queues in the Village Square from past years. And despite numerous bugs, the transport App and ability to track vehicles grew in stability and popularity. However the carpark shuttle, village shuttle and taxi services were plainly unacceptable on many occasions, causing great inconvenience to visitors and stakeholders. Many visitors chose to walk rather than wait, and some stakeholders had to transport their own guests due to long wait times. Mansfield Mt Buller Buslines agreed to provide some services from mid-July which improved service, and TravelSafe's performance did improve through the season. Further transport changes were identified with stakeholder representatives and will be implemented for the 2020 season to increase the number of options for visitors and reduce costs for overnight visitors. The RMB is confident that these changes will significantly improve visitor transport in 2020.

When the year was all said and done, operating income finished at \$18.2m (excluding \$3.9m government grant funding for the new reservoir) and expenses at \$17.2m. The resultant operating profit of \$1m was \$0.2m less than 2018 and \$0.2m below plan.

Mark Bennetts  
CEO

# RESORT PROFILE

The Mt Buller & 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 183 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.

Buller Ski Lifts, the largest of the commercial operators, 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 approximately 400,000 visitors throughout the winter who generate around 550,000 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 climate.

## 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 8,000 visitors each winter including nature lovers and school groups who participate in cross-country skiing, snow-shoeing, alpine touring and outdoor education in an undeveloped alpine environment. Accommodation is limited to the Alpine Camp operated by Stirling Experience, refuge huts and snow camping.

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



# ENTITY INFORMATION

The Mt Buller & Mt Stirling Alpine Resort Management Board (RMB) is a statutory authority established under the *Alpine Resorts (Management) Act 1997*.

The RMB 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.

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 2019 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

## OPERATING REVENUE

(\$000's)	2015 <sup>(1)</sup>	2016 <sup>(2)</sup>	2017	2018	2019
Gate Entry	4,648	5,044	5,930	7,080	7,084
Site rental fees	3,716	4,518	4,189	4,515	4,608
Service charges	3,636	4,362	3,958	4,042	4,396
Sale of rights to lease / develop land	932	293	0	0	0
Government funding	148	219	74	0	3,943
Fair value of services provided free of charge	0	0	0	0	87
Taxi revenue	0	0	0	0	1,170
Other revenue	1,043	1,153	932	713	814
Total revenue	14,123	15,589	15,083	16,350	22,102
Operating expenditure	12,765	15,241	14,460	15,106	17,158
Other economic flows	(19)	23	(790)	(36)	(112)
Net result	1,339	371	(167)	1,208	4,832

## ASSETS

(\$000's)	2015 <sup>(1)</sup>	2016 <sup>(2)</sup>	2017	2018	2019
Total Assets	172,046	172,124	202,827	204,652	211,774
Total Liabilities	3,434	3,071	2,683	2,466	4,756
Net Assets	168,612	169,053	200,144	202,186	207,018
Assets comprise:					
Land	110,688	110,688	106,117	106,117	106,117
Other non-financial assets	55,707	55,508	90,592	91,261	95,678
Financial assets	5,671	5,928	6,118	7,274	9,979

## VISITOR STATISTICS

	2015 <sup>(1)</sup>	2016 <sup>(2)</sup>	2017	2018	2019
Mount Buller (Winter)	380,437	317,891	403,945	423,169	399,467
Mount Buller (Summer) <sup>(3)</sup>	89,695	102,515	75,881	75,225	89,497
Mount Stirling (Winter)	6,096	6,041	8,161	11,280	7,762
Mount Stirling (Summer) <sup>(3)</sup>	34,698	57,755	31,002	29,182	43,285
Vehicles (Winter)	64,909	72,825	84,398	88,434	91,934

(1) Financial year of 1 Nov - 31 Oct

(2) 2016 includes 14 months from November 2015 to December 2016

(3) As determined by the Alpine Resorts Coordinating Council

## OVERVIEW

The number of snow season visitors was 6% lower than the peak of 2018, which was a bumper snow year. Total income was up significantly due to the timing of government funding related to the new reservoir, and the new transport contract which resulted in taxi income and costs both being recorded within the RMB accounts rather than flowing to the service provider. Operating income finished at \$18.2m (excluding \$3.9m government grant funding for the new reservoir) and expenses at \$17.2m. The resultant operating profit of \$1m was \$0.2m below plan.



# VISION, MISSION & STRATEGY

## VISION

To significantly increase visitation all year round and to deliver long term sustainability, financial viability, best practice environmental management, and compliant operations.

## STRATEGY

The RMB's strategic plans adopt 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

## MISSION

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.

## 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.

## PERFORMANCE MEASURES

The objectives contained within the 2019 – 21 Corporate Plan and performance for 2019 were as follows:

OBJECTIVE	2019 OUTCOME																								
Achieve a trend increase of at least 2% in summer and winter visitor numbers by addressing critical capacity constraints, adding / improving resort attractions and continuing to implement climate change adaptation measures.	There were 407k visitors during the 2019 snow season, which was 1% less than 2017 and 6% less than 2018. The trend increase over the past 10 years is 2.2% p.a.. Climate change actions included introduction of a portable snow factory. The new 220 carpark was nearly completed, and the village toboggan slope extended and enhanced.																								
Deliver quality infrastructure and operational compliance through robust risk management & governance practices, effective asset management practices, and elimination of non-compliances from the sewage treatment plant.	There were 3 sewage treatment non-compliances and no potable water non-compliances in 2019. Risk, governance and asset management practices continued.																								
Provide environmental & resort sustainability through strong environmental management programs, progressing the water security project so as to increase the supply of potable and snowmaking water, and reducing potable water consumption & environmental impact per visitor.	All environmental programs were delivered. The water security project was approved and commenced. Potable water consumption was 210l per visitor day compared with 337l in 2018. Waste to landfill increased from 0.58kg per visitor day in 2018 to 0.62kg in 2019.																								
Develop a performance culture and achieve staff satisfaction of at least 85% satisfied or very satisfied through improved engagement, involvement and empowerment.	Staff satisfaction was 79% based on 48 responses to an anonymous survey of all full time, part time and casual staff.																								
Deliver surpluses of around 5% p.a. by improving efficiency, improving the financial viability of Mt Stirling, and improving the financial viability of Mt Buller over summer.	Operating surplus of 5%. Mt Stirling viability improved marginally with the café loss reducing from \$31k in 2018 to \$27k in 2019. No change in the viability of Mt Buller over summer.																								
Achieve stakeholder satisfaction of at least 85% satisfied or very satisfied through engagement, delivery of effective and efficient services, restoration & maintenance of core infrastructure, and investment in new infrastructure.	Stakeholder satisfaction not yet measured but understood to be generally high other than performance of transport services in 2019. Asset preservation and restoration program continued as well as investment in new infrastructure*: <table border="1" data-bbox="794 1877 1394 2078"> <thead> <tr> <th>Existing</th> <th>\$m</th> <th>New</th> <th>\$m</th> </tr> </thead> <tbody> <tr> <td>Roads &amp; carparks</td> <td>\$0.9</td> <td>Roads &amp; carparks</td> <td>\$1.1</td> </tr> <tr> <td>Water &amp; sewage</td> <td>\$0.4</td> <td>Snow play park</td> <td>\$0.4</td> </tr> <tr> <td>Buildings</td> <td>\$0.3</td> <td>Water storage project</td> <td>\$3.0</td> </tr> <tr> <td>Other</td> <td>\$0.5</td> <td>Other</td> <td>\$0.1</td> </tr> <tr> <td><b>Total</b></td> <td><b>\$2.1</b></td> <td><b>Total</b></td> <td><b>\$4.6</b></td> </tr> </tbody> </table>	Existing	\$m	New	\$m	Roads & carparks	\$0.9	Roads & carparks	\$1.1	Water & sewage	\$0.4	Snow play park	\$0.4	Buildings	\$0.3	Water storage project	\$3.0	Other	\$0.5	Other	\$0.1	<b>Total</b>	<b>\$2.1</b>	<b>Total</b>	<b>\$4.6</b>
Existing	\$m	New	\$m																						
Roads & carparks	\$0.9	Roads & carparks	\$1.1																						
Water & sewage	\$0.4	Snow play park	\$0.4																						
Buildings	\$0.3	Water storage project	\$3.0																						
Other	\$0.5	Other	\$0.1																						
<b>Total</b>	<b>\$2.1</b>	<b>Total</b>	<b>\$4.6</b>																						

\*reflects actual costs for 2019 projects only.

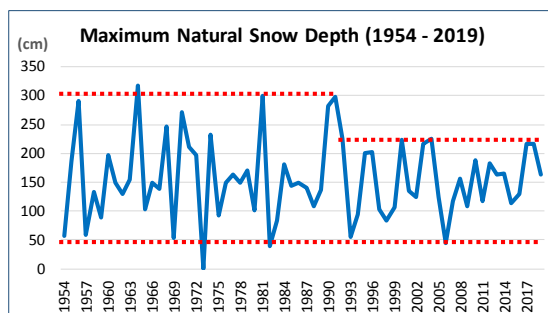
# ENHANCING VISITOR EXPERIENCE & DEVELOPING RESORTS

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. Snowmaking 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.

## CLIMATE CHANGE

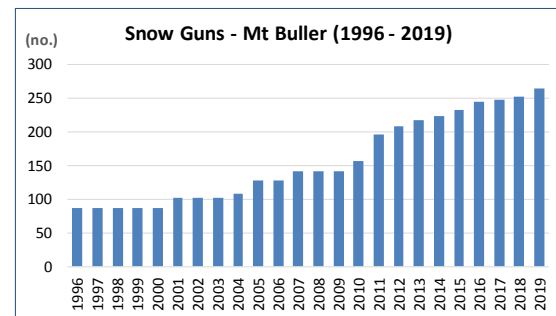
Climate change is a global challenge affecting all facets of society. The RMB is acutely aware of these challenges and has been taking many steps to mitigate and adapt to the changing climate for a long time. The RMB is also aware of its role in assessing, managing, and overseeing climate-related risks and opportunities under the Task Force on Climate-related Financial Disclosures.

While natural snow in Victoria has always varied significantly from year to year, snowfall during peak seasons has been lower since 1990 as shown below (Falls Creek shown as Mt Buller data only goes back to 1979):



Over the past 20 years, climate change mitigation strategies adopted at Mt Buller & Mt Stirling include:

- Installation of a micro-hydro facility (renewable energy) to provide all power requirements for Telephone Box Junction at Mt Stirling.
- Investment in summer activities and additional licenced tour operators to deliver a broader range of experiences.
- Summer grooming comprising slope works and rock removal so that slopes are evenly graded, well grassed and allow skiing and snowboarding on minimal snow cover.
- Increased trail maintenance and operations focusing on improved snow holding and improved accessibility in low snow conditions.
- Snow fencing to capture and deposit snow on the leeward side during storm events, for harvesting and redistribution over the adjoining slopes.
- Snow grooming to evenly distribute snow, harvest snow from fences and other locations, and redistribute snow back up the hill that has been pushed to the bottom by skiers and snowboarders.
- Installation of significant numbers of conventional snowmaking pumps, compressors and guns to make snow when the ambient wet bulb temperature is minus 2°C or less, with the addition of automation and individual climate gauges from the 1990's so that individual guns can be activated based on the conditions in each specific location.
- Installation of a "continuous snowmaking" snow factory in 2017, which uses refrigeration to make snow at any temperature and can operate 24/7 to guarantee production rates.
- Satellite-controlled GPS systems mounted on groomers to measure and map the snowpack depth, to improve the effectiveness and efficiency of snowmaking and grooming operations.
- A partnership between Buller Ski Lifts and the RMB to equally share all the costs of supplying snowmaking water and developing, maintaining and running the snowmaking system for the benefit of all stakeholders and visitors.



This ongoing adaptation program continued in 2019 including:

- Acquisition of a portable snow factory which was used to make snow on the popular Bourke Street run prior to and during the season, within the Magic Forest where young children are taught, and on the two toboggan slopes to guarantee their availability for snow players.
- Activation of the recycled water plant to produce additional water for snowmaking.
- Approval and commencement of the \$11.3m Water Security Project to create a 100ML reservoir within the ski area and secure the supply of potable water to the village during summer, water for firefighting, and to progressively double the amount of water available for snowmaking from the 2020 snow season.
- Progressing plans for additional attractions that encourage year-round visitation to the resort regardless of the level of snow.

### VISITATION

For the second year in a row, Mt Buller delivered an early winter opening, with the season commencing on 1 June 2019. This was made possible by early snowfalls, the new portable snow factory and a massive snowmaking effort by Buller Ski Lifts. Natural snowfall increased through July providing good conditions across both Mt Buller and Mt Stirling for skiing, boarding, tobogganing and snow play. Nearly 400,000 visitors came to Mt Buller and 8,000 to Mt Stirling during the snow season, which was 5.6% and 31% lower respectively than the record visitation in 2018.

### ONLINE SALES

The 20% online discount for resort entry and car parking that was introduced in 2018 was again popular, increasing online sales from 36% in 2018 to 42% in 2019. Visitors continued to receive courtesy SMS messages prior to arrival notifying of chain requirements and were able to bypass the vehicle queue at resort entry so as to reduce the time taken to get to the snow.

### GUEST SERVICES

The partnership between Buller Ski Lifts and the RMB was refreshed in 2019 to further improve the breadth of service provided by Guest Services staff, covering areas from the new park & ride service at Mirimbah to the carpark bus stops, village centre, key ski lifts and into the ski area itself.

### TRANSIT SERVICES

The long running contract for Mansfield Mt Buller Bus Lines (MMBL) to provide carpark shuttle, village shuttle and valet taxi services at Mt Buller ended after the 2018 snow season.

The RMB subsequently ran a competitive public tender process for a new contract, which was awarded to TravelSafe in March 2019. This included the introduction of a park & ride service from Mirimbah on peak weekends to help deal with parking capacity constraints and give inexperienced drivers a safer way of getting to the snow. TravelSafe had a difficult first season and delivered unsatisfactory service levels on many occasions which severely impacted many stakeholders and visitors. MMBL agreed to provide some services from mid-July which helped improve service. TravelSafe's performance also improved through the season. The perennial issue of lengthy queues in the Village Square was largely eliminated, the new park & ride service performed well, and improvements were made to the transport app. Nevertheless, TravelSafe recognised its poor performance and agreed a significant fee reduction as a result.

There were further discussions with stakeholder representatives, TravelSafe and MMBL on future transport options through the snow season, focused on providing efficient, effective and commercially viable solutions that increase the range of options for visitors and make overnight visits more affordable. The Board subsequently agreed to reposition the valet taxis as a ride share service, allow a limited number of true taxi operators providing on-demand services, and to allow commercial accommodation houses, lodge managers and apartment managers to provide courtesy transfers to & from the overnight carparks for their guests. Work commenced on implementing these changes for the 2020 snow season.

Stirling Experience trialled a park & ride service from Mirimbah to Telephone Box Junction, which attracted few passengers. There was also limited demand for a trial service allowing visitors staying at Mt Buller to visit Mt Stirling for the day.



## SKI PATROL

Ski patrol services across Mt Buller were provided by Buller Ski Lifts as part of their long-term lease of the ski area. The combination of paid and volunteer Ski Patrollers attended 1,364 incidents in 2019, with 746 of these requiring transfer to the Mt Buller Medical Clinic for further treatment and 10 requiring emergency helicopter transfer to hospital.

Ski patrol services at Mt Stirling were again provided by the RMB, in conjunction with the invaluable assistance of the Mt Stirling Volunteer Ski Patrol Inc. who are an essential part of winter safety and operations. Patrollers attended 8 incidents in 2019 compared with 22 in 2018, with 2 people transferred to Ambulance Victoria for further treatment.

## BULLER AIR ZONE

The Buller Air Zone continued to provide an exciting trampolining, airbag and climbing experience to the public, offering another activity to enjoy during the snow season when the lifts stopped turning or the weather was poor. Olympic and Buller Athletes also made use of the facility for training. It was also open during key summer periods to complement other activities including mountain bike riding, road cycling, bushwalking and sightseeing.

## LAND RELEASE

In April 2019, a land release via direct treaty was approved by the Minister for Energy, Environment & Climate Change. This resulted in the Grollo Group agreeing to construct two, rather than three buildings on the Kooroora site, so as to allow the creation of an enlarged and vibrant village heart with a range of visitor activations all year round. The Kooroora redevelopment is scheduled to be completed over the next two summers. The enlarged open area in the Village Square was already evident through the 2019 snow season and attracted positive feedback from many stakeholders and visitors

## MARKETING

The RMB spent \$1.25m on marketing and events during 2019.

The Mt Buller brand, web site and app are co-owned by the RMB and Buller Ski Lifts, who also partner in the delivery of the destination marketing program. A 12-month trial commenced in April 2019, with the RMB contracting Buller Ski Lifts to deliver a greater portion of this program. This trial has gone well and has saved the RMB \$150k p.a.. The program includes summer & winter advertising, media famils, resort brochures, and photography for Mt Buller & Mt Stirling.

In 2019 the four RMB's engaged Tourism North East (TNE) to create a campaign promoting midweek holidays to Melbournians. This included Southern Cross Station being blanketed in imagery, live streaming and weekly activations. The RMB contributed \$50k, saving \$86k compared with the funding contribution to the Snow Victoria campaign in previous years. TNE sourced matching investments from the Victorian Government. The lift companies at Falls Creek, Mt Buller and Mt Hotham also reengaged and contributed. Visit Victoria CEO Peter Bingeman said the Your Midweek Lift program was an innovative marketing activation that tempted city-goers to take a midweek getaway to the slopes. "It aligned perfectly with Visit Victoria's 'Your Happy Space' campaign that reminded Melburnians of the perfect winter playground awaiting them in regional Victoria".

The RMB also continued to deliver events including Opening & Closing Weekend, Saturday music and activities in the Village Square, AFL Grand Final, and 80's Day and summer events including the Bike Buller Festival, Targa High Country and Picnic in the Park.

## ONLINE / SOCIAL MEDIA STATISTICS

	2016	2017	2018	2019
<b>Unique Website Visits</b>				
Mt Buller Website	825,975	985,457	1,100,079	4,969,979
Mt Stirling Website	32,736	33,382	32,091	161,634
<b>Unique App Users</b>				
Mt Buller iPhone App Users	14,370	20,822	16,909	30,026
<b>Social Media Followers</b>				
Mt Buller Facebook	83,000	101,000	112,356	121,778
Mt Buller Instagram	27,000	36,000	45,000	54,400
Mt Stirling Facebook	1,600	1,900	2,300	2,757
Mt Stirling Instagram	671	912	1,300	1,534
Bike Buller Instagram	4,000	4,600	5,300	5,819
Bike Buller Facebook	10,000	10,500	11,500	11,624

# 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.

## SNOW CLEARING

The RMB continued to clear snow off the 15km long Mt Buller Road from Mirimbah to the Mt Buller Village, the 9km Mt Stirling Road to TBJ, the 4km of roads around the Mt Buller village, and the multitude of day and overnight carparks. Staff were rostered according to forecast snow conditions, including starting at 4am on occasions. A total of 2,200 hours were spent on this activity, using a combination of RMB equipment as well as three clearers hired for the season at a cost of \$62k.

## SNOWMAKING

This critical activity is enabled through a partnership between the RMB and Buller Ski Lifts to equally share all snowmaking costs including the provision of water, operation of the snowmaking system and two snowfactories, and maintenance and depreciation on all associated assets. This resulted in a payment of \$783k from the RMB to Buller Ski Lifts in 2019.

## WATER

The RMB supplied safe drinking water 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. 467 ML was withdrawn from Mt Buller's main water source, Boggy Creek, while a further 15 ML of wastewater was recycled through the water recycling plant for snowmaking. Water quality was monitored in accordance with the resorts' Safe Drinking Water Risk Management Plan.

## WASTE WATER

The RMB maintained and operated the sewage treatment plant on Mt Buller, septic systems at Mirimbah and Telephone Box Junction, and pit / tank toilets across Mt Stirling in accordance with a detailed monitoring program which aims to minimize disturbance on water quality within local streams.

There were 3 non-compliances in 2019, down from 4 in 2018, 8 in 2017 and 9 in 2016. The EPA was notified of each instance and measures were taken to address the root cause in each case.

## WASTE COLLECTION & RECYCLING

Reduction of waste to landfill and increasing recycling are core RMB objectives. Success is attributable to several targeted programs and partnerships with waste

contractors 4SITE Australia Pty Ltd and the North-East Waste & Resource Recovery Group.

There was an increase in waste to landfill per winter visitor day during 2019 rising to 0.62kg compared with 0.58kg in 2018. General household waste was also up with the RMB collecting 344 tonnes of waste for landfill during winter 2019 compared with 342 tonnes in 2018, despite the lower visitor numbers.

## EMERGENCY MANAGEMENT

The Mt Buller & Mt Stirling Alpine Resorts are covered by the *Emergency Management Act 1986* and the RMB's roles and responsibilities are described in Part 4 of the *Emergency Management Act 1986* and *Emergency Management Act 2013*. The RMB continued to manage the Mountains Emergency Management Plan and committee, which met 3 times including representatives from Victorian Police, Ambulance Victoria, Buller Gas, Buller Ski Lifts, Country Fire Authority, State Emergency Services, Department of Health and Human Services (DHHS), and DELWP.

## HEALTH SERVICES

A public tender process resulted in Medical Rescue Pty Ltd being awarded a 3+3+3 year contract in 2018 to operate the Mt Buller Medical Centre during the declared snow season, providing medical treatment for trauma injuries as well as GP services for visitors, residents and staff.

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 with more 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.

## ASSET RESTORATION

The RMB continued its focus on repairing and restoring core assets. \$0.9m was spent on resealing / re-concreting roads and carparks, \$369k on enhancing the Mt Buller and Snow Play Park, \$73k to upgrade the potable water treatment facilities at Telephone Box Junction, \$166k on boilers for Village Square Plaza and the Sewage Treatment Plant, \$105k on a Medical Centre refurbishment and \$97k on a variety of other buildings.

## CARPARKS

Carparking capacity has been a chronic issue at Mt Buller for many years, exacerbated by increasing visitation. The RMB developed a strategy to increase capacity over time, starting with a new 220 vehicle carpark for overnight visitors along CornHill Road at a cost of \$1m. This is the first increase in parking capacity since the 1980's and allows the CSIR carpark to be used for day visitors. The new carpark was used during the 2019 snow season despite being unsealed, and will be sealed prior to the 2020 season. The project also includes a new dedicated helipad

to allow emergency and air ambulance access during summer and winter. Road, drainage and stabilisation works costing \$253k were also completed in Mirimbah Park to allow more vehicles to park off the mountain more often while minimising damage to the park.

#### STAIRS

To improve the guest experience and pedestrian safety, the RMB installed three staircases in and around the day visitor car parks at a cost of \$182k. These removed the need for many visitors to walk along the side of the Mt Buller Road reducing the risk of having thousands of vehicles in icy and slippery conditions alongside pedestrians.

#### WATER SECURITY PROJECT

After more than 10 years of planning and preparation, work finally commenced on the long awaited Water Security Project on 18 October 2019. This critical project will provide Mt Buller's potable and firefighting water during summer while doubling the quantity of water available for snow making during winter. The project to actually construct the reservoir and pumping system is expected to cost \$11.3m, on top of approximately \$2.5m spent in getting to this point.

At the end of December 2019, 75% of the reservoir embankment had been completed and the project was on track for practical completion by May 2020 so that it can be used during the 2020 snow season. The project has been enabled by a \$7.5m government grant through Regional Development Victoria.

#### LEASING & COMMERCIAL OPERATORS

Lessees on Mt Buller 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.

Mt Stirling has no lessees, but instead allows operations through Commercial Operator Licences and Permits to Occupy. Commercial operators pay a fee to run operations such as horseriding, camping, dog sleds, cross-country ski lessons and mountain bike shuttles. There were 19 Commercial Operator Licences issued in 2019 compared with 20 licences during 2018.

#### SERVICE CHARGES

Service charges were levied on all leased sites in accordance with Section 13 of the Alpine Resorts (Management) Act 1997. Charges for 2019 were based on the 2018 Capital Improved Values issued by the Victorian Valuer General and Mansfield Shire Council. A CPI adjusted service charge rate of 0.067% was applied compared with 0.077% in 2018 and 0.075% in 2017.

#### SNOWPLAY PARKS

The RMB continued to provide three snow play parks for guests, one at Telephone Box Junction, one near the Mt Buller day visitor carparks and the third within the Mt Buller village. The village park was extended and upgraded prior to the 2019 snow season at a cost of \$370k to increase excitement and capacity, improve access from the Village Square, include a designated seating area, and provide electricity supply for the portable snow factory.



# 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 2019 including:

- Alpine Resorts Coordinating Council
- Apartment owners
- Buller Ski Lifts
- 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
- Mt Buller Chamber of Commerce
- Mt Buller Ratepayers Association
- Mt 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

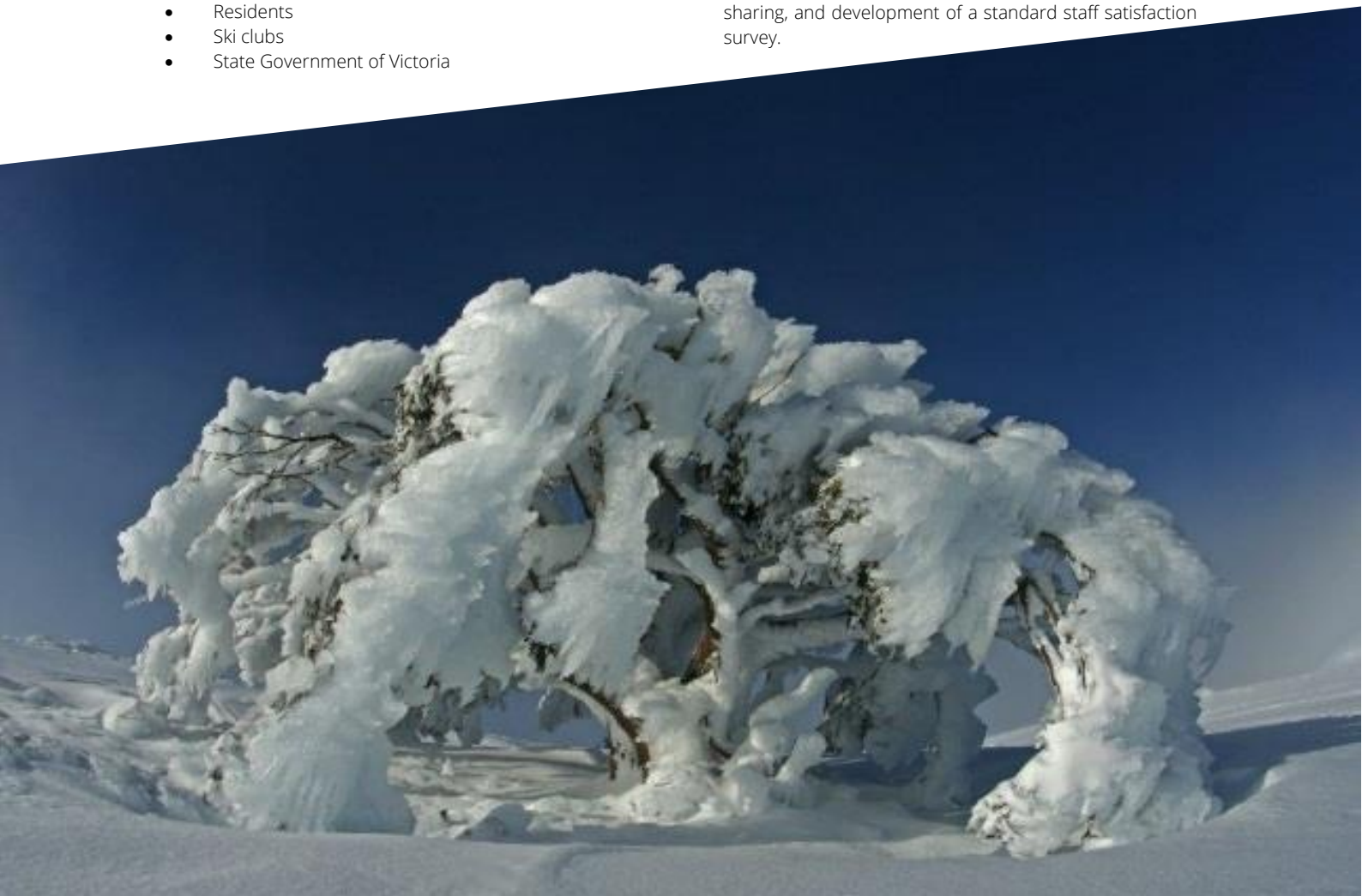
- Stirling Experience
- The Taungurung Land and Water Council
- Tourism North East Regional Tourism Board
- Victorian National Parks Association
- Visitors & guests

## MAJOR STAKEHOLDER GROUPS

The Mt Buller Chamber of Commerce, Rate Payers Association, Buller Ski Lifts and Mt Stirling Stakeholder Group collectively represent the majority of Stakeholders across Mt Buller & Mt Stirling and continued to regularly meet with RMB Directors and Management to hold open dialogue on matters of shared importance. Meetings regarding Mt Stirling also included representatives from the Friends of Mount Stirling, the Mount Stirling Development Taskforce, Victorian National Parks Association, Taungurung Land and Water Council and 4WD Victoria.

## VICTORIAN ALPINE RESORTS

The RMB has collaborated with its counterparts at Falls Creek, Mt Hotham, Mt Baw Baw and Lake Mountain for many years. This continued in 2019 including a common marketing campaign and advocating for / participating in a review of alpine leasing guidelines, as well as an Employee Assistance program, Learning Management system.....", as well as an Employee Assistance program, Learning Management system, and specialist HR services (all with Mt Hotham), Mountain Pygmy Possum program (with Falls Creek and Mt Hotham), selection of a common asset management system and associated training, policy sharing, and development of a standard staff satisfaction survey.



### VISITOR EXPERIENCE TEAM

The Visitor Experience Team continued in 2019, comprising representatives from the RMB, Buller Ski Lifts, Buller Holidays, Ski Patrol, TravelSafe, MMBL and Victoria Police, who met weekly throughout the snow season to discuss and agree expected visitor numbers, transport requirements, parking and other logistical arrangements so as to deliver the best visitor experience possible.

### DESTINATION MARKETING

A 12-month trial commenced in April 2019 where the RMB contracted Buller Ski Lifts to deliver a greater portion of the destination marketing program including summer and Mt Stirling. This was supported by a Buller Stirling Marketing Committee comprising members of the RMB, Buller Ski Lifts, Mt Buller Chamber of Commerce (of which Stirling Experience is a member) and the Mt Buller Ratepayers Association, to help shape and monitor the development and delivery of marketing strategies and programs.

### BULLER INTERSCHOOL ASSOCIATION

The RMB, Buller Ski Lifts, Mt Buller Chamber of Commerce and Mt Buller Rate Payers Association collectively contribute funds to make the Victorian Interschools Snowsports competition one of the most accessible events of its type in the world. Buller Ski Lifts successfully renegotiated its contract in 2019 to host the annual Victorian Interschools for at least the next 5 years.

There was a record 6,852 event entries from 228 schools in 2019 compared with 6,464 entries from 210 schools in 2018. Mt Buller also hosted 3,650 entries from 318 schools during 5 days of the Australian Interschools Snowsports Championships in September, which is shared on a biannual basis with Perisher Resort in NSW.

### SPONSORSHIP

The RMB continued to work with its valued sponsors and partners including K2, Channel 7, Mercedes-Benz and Bolle. It also continued to provide financial 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 Race Club, National Alpine Museum of Australia, Targa High Country, Team Buller Riders, Victorian Down Hill Mountain Bike Series and Winter Olympic Institute of Australia.

### NATIONAL ALPINE MUSEUM OF AUSTRALIA

The RMB negotiated a new 5-year sponsorship agreement with the National Alpine Museum of Australia, which includes improvements and extensions to the museum located in the Alpine Central building, additional awareness activities, and an ongoing increase in the number of items publicly available through the museum's online catalogue.

### OLYMPIC TRAINING CENTRE

The Olympic Training Centre at Mt Buller is underpinned by a partnership between the RMB, Buller Ski Lifts, Olympic Winter Institute of Australia and Snow Australia, and provides accommodation and training facilities for Australia's aerial and mogul skiers. BSL installed lights on Chamois Run in 2019 to enable night training in future years, which also enabled the long running Abom Challenge moguls competition to be held under lights for the first time in 2019.

### LOCAL AND REGIONAL AUTHORITIES

The RMB continued to consult and work with 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, and Victoria Police.





# 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.

## MT STIRLING

The Victorian National Parks Association formally supported the Mt Stirling 2030 vision document developed by the RMB in conjunction with Mt Stirling stakeholders, which will underpin development of a Mt Stirling Strategic Management Plan during 2020.

Regrettably some visitors severed a limb from the 319 year old Stirling Summit Tree during 2019 to use as firewood. This was illegal and the perpetrators will be punished if caught. As a result, with valuable input from the Mt Stirling Stakeholder group, a tiered action plan was developed to better protect and celebrate the high environmental values of the Mt Stirling summit area including the Stirling Summit Tree. The action plan includes key actions over five years to improve education and awareness of the area, install additional interpretive and regulatory signage, increase ranger and key stakeholder presence and connections with visitors, and mitigate environmental risks. The RMB also installed fencing to prevent vehicles from driving the final 100m off-road to the Mt Stirling summit

## PEST PLANT CONTROL

Orange Hawkweed was monitored from October 2018 to June 2019 within an established quarantine area to minimise risk of spread. Funding assistance from the Department of Economic Development, Jobs, Transport & Resources continued to enable an intensive monitoring program which resulted in only one new plant being identified compared with two the previous summer. 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

RMB environmental staff continued to provide advice to Buller Ski Lifts, developers and site holders regarding revegetation, and several locally indigenous native gardens are now well established within the resort.

## MOUNTAIN PYGMY POSSUMS

The Mountain Pygmy-possum is an endangered species due to habitat degradation, predation, low Bogong moth numbers and climate change. The recovery program guided by the Mountain Pygmy-possum Recovery Plan for Mt Buller continued to show good results following the significant population declines identified in the early 2000's. There was no increase in the number of possums between 2017 and 2018 due to late litter loss associated with low numbers of Bogong moths (a key staple for possums) across the Australian Alps. An Operational Contingency Plan was developed with key stakeholders during 2019 to try and address this issue. Spring monitoring showed Mt Buller's population did increase in 2019 and was the highest on record despite low numbers of Bogong moths.

## 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. Interpretive signage for Barred galaxias was installed at Mt Stirling

## PEST ANIMAL CONTROL

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

## UPGRADES TO MT STIRLING POTABLE WATER SUPPLY

Works were undertaken during 2019 to upgrade the potable water supply and treatment facility at Telephone Box Junction. These included the addition of a settling tank and a new container to house modern water treatment pumps and dosing equipment. Further additions are planned for 2020 including improving the safety of the offtake from the creek and consolidation of operational elements under the roof of a single shed to improve function and amenity.

## ENERGY & RESOURCE EFFICIENCY

The RMB continued to deliver 100% green energy to the Mt Stirling Ski Patrol, Café, Ski Hire and visitor amenities through the hydro plant commissioned in 2018. In addition, 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.



# 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 5.2 million people.

## AFFORDABILITY

The 20% online discount for resort entry and car parking was retained in 2019, with the day visitor price of \$46 being approximately 10% lower than other resorts across Victoria. Affordability and convenience was also improved through the new Snow Play Express service which allowed visitors to park at Mirimbah, avoid the need to hire and fit chains and the risks of driving in snowy conditions, and be transported to and from the Mt Buller village from only \$34.80 for up to 12 people arriving at Mirimbah in a single vehicle.

## EDUCATION

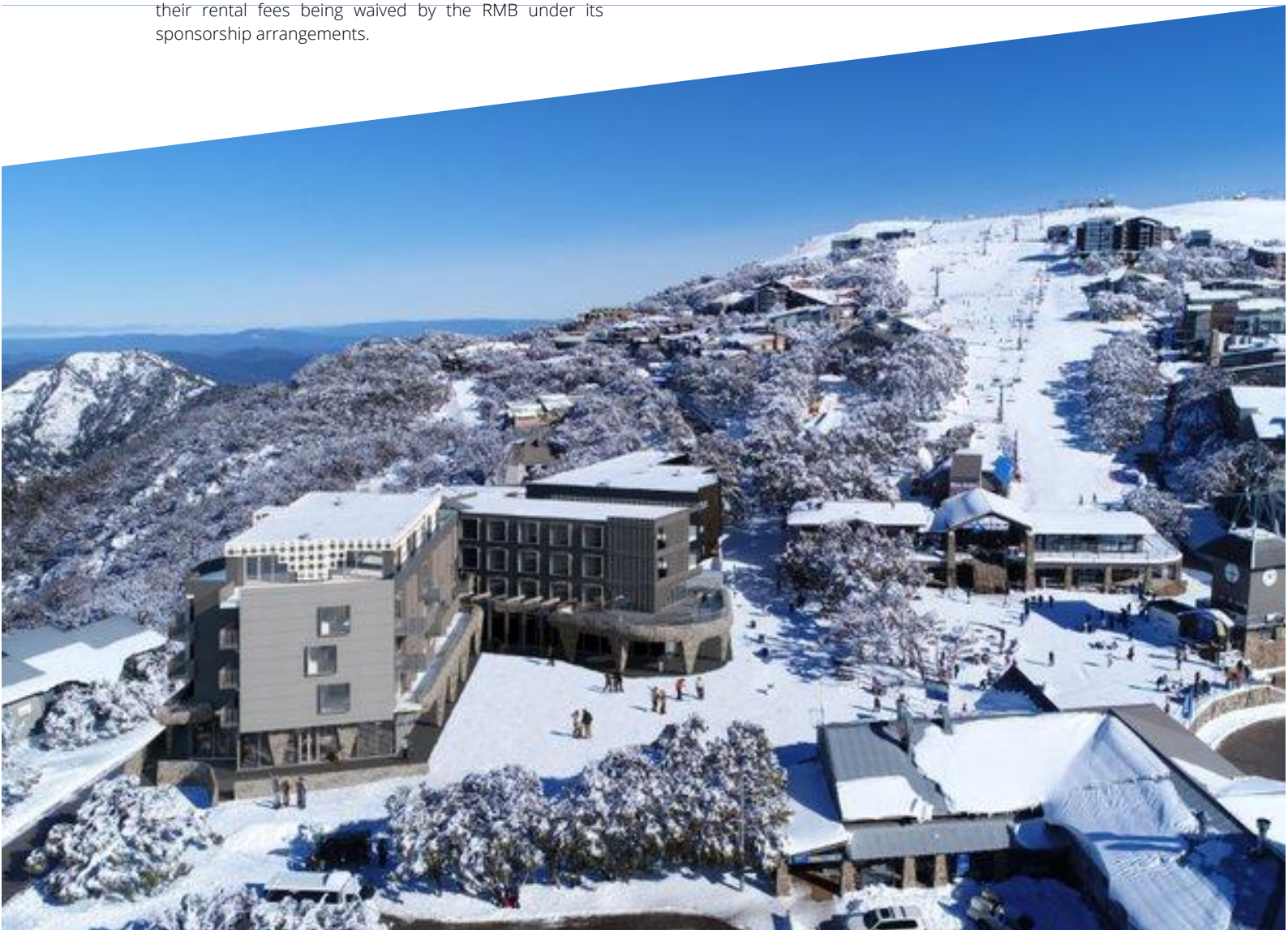
Mt Buller continued to offer a range of education options for children living on the mountain through the snow season. During term three, 37 students progressed their education through the Mansfield Primary School annexe, 16 through the Mansfield Secondary College annexe, and 37 through Mt Buller Education's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

## DISABLED WINTER SPORTS AUSTRALIA

The RMB and Buller Ski Lifts continued to partner with Disabled Winter Sports Australia, to assist people living with disabilities to ski, snowboard or snow play at Mt Buller. Disabled Winter Sports Australia is a member-based organisation that assists people with disabilities to participate in snow sports across the Australian Alps. TravelSafe provided a wheelchair accessible vehicle to transport disabled visitors from the carparks to the ski area.

## CULTURALLY DIVERSE COMMUNITIES

Many people who come to the snow for the first time are 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 and collateral is used throughout the resort to assist those from non-English speaking background.



# 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.

## MINISTERIAL DIRECTIONS

There were no new Ministerial Directions in 2019. The RMB continued to focus on previous directions issued by the Minister for Energy, Environment and Climate Change regarding collaboration, business systems review, stakeholder engagement and transparent decision making. The business systems review was completed in 2019, and is expected to result in further Ministerial Directions in the future. The stakeholder engagement review was also completed and has resulted in a common charter across all Victorian alpine resorts. The RMB's Corporate Plan was published on the RMB web site for the first time.

## STAFF ACCOMMODATION

There is a chronic shortage of staff accommodation within the resort. This is resulting in lodges continuing to be acquired for staff accommodation, which reduces the number of beds available for visitors. The RMB continued to advocate for a way in which it and government can help address this issue, possibly through charging lower prices for land releases and lower annual site rental so as to encourage private development of large scale purpose built staff accommodation.

## LEASING POLICY

The Victorian Alpine Resorts advocated for a review of the alpine leasing policy and guidelines, which have remained unchanged since 2002. The Minister directed the Alpine Resorts Co-ordinating Council to lead a review which commenced in July 2019, and the RMB is a member of the project working group.

## MT BULLER PLANNING SCHEME

On 12 September 2019, Amendment C27 to the Alpine Resorts Planning Scheme was gazetted. The amendment made changes to the Strategic Statement for Mt Buller, and to Schedules 1 and 3 of the Design and Development Overlay, to implement the Mount Buller Master Plan and Mount Buller Resort Village Design Guidelines.

## ALPINE RESORTS STRATEGIC PLAN

Throughout 2019, the RMB in conjunction with its community, worked with the Alpine Resorts Coordinating Council to develop a new strategic plan to replace the one that concluded at the end of 2018. Once approved by the Minister, this plan will underpin the development of new or updated strategic management plans for both Mt Buller and for Mt Stirling.

## ALPINE RESORT REGULATIONS

A review of the Alpine Resorts (Management) Regulations 2009 occurred through 2019. These regulations were due to sunset in early November, however were extended into 2020 to allow for sufficient public consultation in the making of new regulations. The RMB is continuing to support the Alpine Resorts Coordinating Council and DELWP as required.



# 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 (Unique Director and Chair)*

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 Futurity Investment Group Limited 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 (Unique Director and Deputy Chair)*

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 not-for-profit 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 (Unique Director)*

Michael is a lawyer, Director and project specialist experienced in many industries and operating environments. He is a Director of several not-for-profits 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.

### *Helen Moran (Common Director across three resorts)*

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 industry.

### *Michelle Croughan (Common Director across three resorts)*

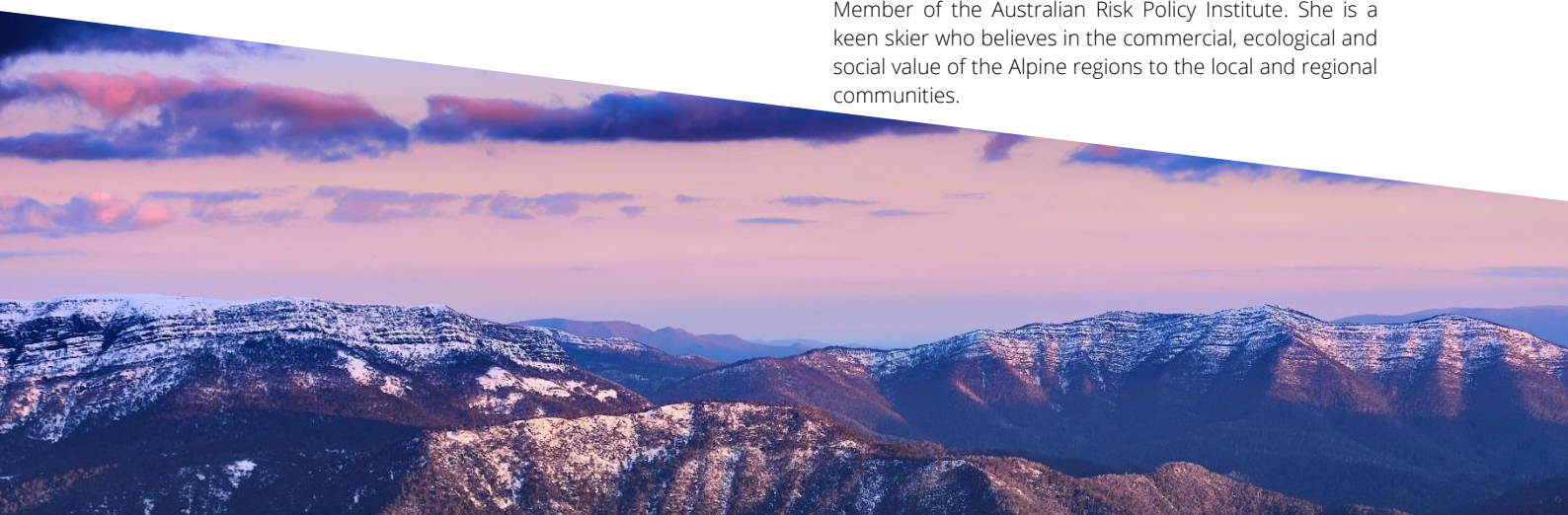
Michelle has over 20 years' experience as a local and State government planner and was previously Manager of Alpine Planning for the Victorian Government. She is a Graduate of the AICD and was an active member of the Victorian Coastal Council. She holds an Honours Degree in Planning and Design at Melbourne 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.

### *Peter Valerio (Common Director across three resorts)*

Peter has over 30 years of 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, redefined the market image of Wollongong, and developed product strategies for the NSW National Parks & Wildlife Service.

### *Sue Lebish (Common Director across three resorts)*

Sue has over 20 years of 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 an 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.



## BOARD COMMITTEES

### Risk Audit & Finance Committee (RAFC)

Sue Lebish (Chair), Jacqueline Jennings, Michelle Croughan  
 This committee oversaw financial performance, RMB accounting, management reporting, policies & procedures, risk management, external & internal audit, and compliance with the Financial Directions issued by the Minister for Finance. It was responsible for monitoring the framework and processes in accordance with the *Financial Management Act 1994*, and laws and regulations that impact on RMB code of conduct. All Members are deemed independent under the *Financial Management Act 1994*.

### Planning, Land Management & Environment Committee (PLEMC)

Michelle Croughan (Chair), Peter Valerio, Sue Lebish  
 This committee oversaw activities relating to planning, land management and environmental matters including leasing, land releases, environment, water, wastewater and emergency management.

### People, Remuneration & Culture Committee (PR&C)

Jacqueline Jennings (Chair), Helen Moran, Richard Leder  
 This committee oversaw activities regarding remuneration, CEO and management team performance, staffing strategies, staff culture, staff satisfaction, enterprise agreement and stakeholder engagement.

### Arts, Marketing & Development Committee (AMDC)

Peter Valerio (Chair), Michael Monester, Helen Moran  
 This committee oversaw activities related to marketing strategy and performance, resort entry strategy, opportunities to increase visitation, yield and satisfaction, business development and artistic & cultural endeavours.

### Water Security Project Control Group (PCG)

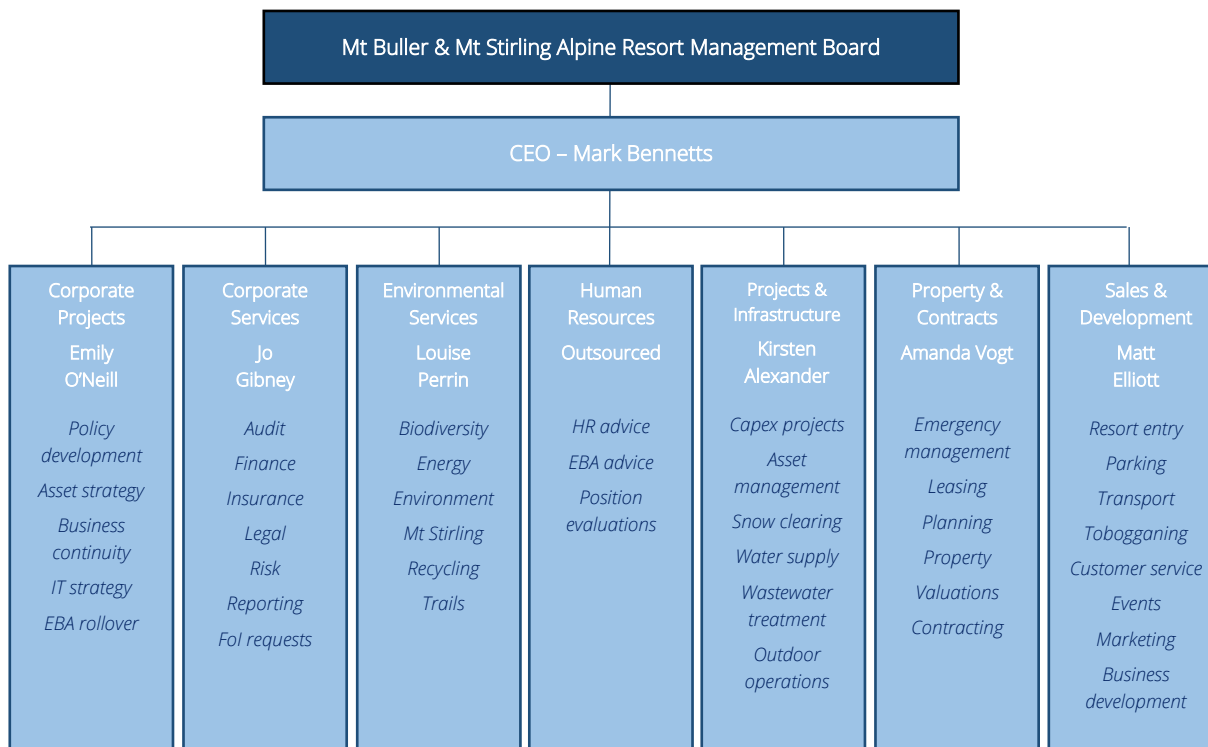
Michelle Croughan (Chair), Mark Bennetts (RMB), Laurie Blampied (Buller Ski Lifts), Kristy Herschell (Regional Development Victoria), Sarah Crute (DELWP), Louise Perrin (RMB), Kirsten Alexander (RMB).

This committee was created on approval of the Water Security project to oversee progress including contract award, concept design, project plans, expenditure, variations, risks, and reporting related to the government contribution of \$7.5m.

## BOARD MEETING ATTENDANCE

Director	Board	RAFC	PLEMC	PR&C	AMDC	PCG
Jacqueline Jennings	7/8	7/8	n/a	3/4	n/a	n/a
Richard Leder	7/8	n/a	n/a	3/4	n/a	n/a
Michael Monester	8/8	n/a	n/a	n/a	2/4	n/a
Helen Moran	8/8	n/a	n/a	4/4	4/4	n/a
Michelle Croughan	8/8	8/8	6/6	n/a	n/a	9/9
Peter Valerio	8/8	n/a	6/6	n/a	4/4	n/a
Sue Lebish	7/8	6/8	4/6	n/a	n/a	n/a

## ORGANISATION STRUCTURE



## OCCUPATIONAL HEALTH AND SAFETY

The RMB is committed to providing a safe and healthy working environment for all employees and contractors, who are each responsible for complying with organisational policies and procedures and following safe work practices at all times. Operationally focused toolbox meetings and cross-training continued in 2019 to broaden the range of staff who can safely undertake different tasks. Additionally, the RMB created a Work, Health & Safety Committee comprising representatives from staff and management to focus on organisational OH&S.

## INDUSTRIAL RELATIONS

The CEO and the Projects & Infrastructure Manager were employed under standard OPSER (Office for the Public Sector Executive Remuneration) contracts approved by the Victorian Government. All other RMB employees were employed under the Mt Buller & Mt Stirling Resort Management Enterprise Agreement 2015-19. A 12 month extension of the EBA has been supported by staff at the end of 2019 and was awaiting approval by the FairWork Commission.

### OCCUPATIONAL HEALTH AND SAFETY KPI's

	2017	2018	2019
<b>Staff</b>			
Lost Time Injuries	2	3	1
Incidents requiring medical attention only	0	3	3
Near misses	1	3	23
<b>Visitors / Stakeholders</b>			
Incidents reported in areas under RMB control <sup>(1)</sup>	1	19	51
Near misses reported in areas under RMB control	0	0	0
<b>WorkCover</b>			
Resolved claims	2	3	2
Unresolved claims	0	3	3
Average cost per claim	\$62k	\$1k	\$4k

<sup>(1)</sup> Significant focus on reporting of OHS incidents and near misses was undertaken in 2018 and 2019 which led to an overall increase in the number captured.

## WORKFORCE DATA

The RMB is committed to merit and equity principles when appointing staff. The selection process includes applicants being assessed and evaluated fairly, equitably and without discrimination. Employees have been correctly classified in workforce data collections. The following table shows the headcount and full-time equivalent (FTE) of active RMB employees as at the last full pay period in December 2019 compared with the same period in December 2018.

	2018					2019				
	Total Staff	Full Time	Part Time	Season / Casual	Total FTE	Total Staff	Full Time	Part Time	Season / Casual	Total FTE
<b>Gender</b>										
Male	76	24	-	52	26.8	65	21	-	52	27.7
Female	57	15	5	37	21.5	73	14	4	47	21.4
<b>Age</b>										
15-24	25	1	0	24	3.2	21	-	-	21	2.1
25-34		29	14	0	15	36	11		25	12.5
35-44		12	5	2	5	18	5	2	11	6.4
45-54		27	11	1	15	23	11		12	11.6
55-64		30	7	2	21	31	8	2	21	14.1
65+	10	1	0	9	3.6	9			9	2.5
<b>Band</b>										
1	3	0	0	3	0.1	4	-	-	4	0.5
2	70	1	0	69	8.0	68	-	-	68	8.0
3	12	2	0	10	4.8	21	4		17	7.8
4	19	12	1	6	12.2	20	10	1	9	11.7
5	9	7	2	0	7.4	7	6	1	-	7.2
6	6	3	2	1	5.5	8	5	2	1	6.5
7A	4	4	0	0	2.8	3	3	-	-	2.1
7B	8	8	0	0	6.1	5	5	-	-	3.3
OPSER	2	2	0	0	1.3	2	2	-	-	2

# COMPLIANCE

## INFORMATION & COMMUNICATIONS TECHNOLOGY

In 2019 the RMB had a total Information & Communications Technology (ICT) expenditure of \$140k:

Business as usual ICT expenditure	Costs to create or enhance ICT capabilities		
	Operating	Capital	Total
120	20	0	20

## 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](http://www.data.vic.gov.au) in machine readable format.

## PUBLIC ADMINISTRATION ACT

The RMB has adopted the Public Sector Values and Employment Principles as per sections 7 and 8 of the *Public Administration Act 2004* respectively. These are embedded in RMB policies and procedures, recruitment, performance management and in the resolution of any disputes. The RMB has advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

The RMB complies with the Act by maintaining a workplace free of discrimination in line with the Victorian Government's merit and equity principles. The RMB continuously reviews its human resource policies and processes in areas such as equal opportunity and recruitment. Employees are selected/promoted for positions on the basis of relative ability, knowledge, experience and skill, in fair and open competition measured against the requirements of the position involved. All employees are treated in a fair and equitable manner without regard to race, religion, political opinions, sexual preference, age, physical or mental disability, family responsibility, pregnancy, national extraction or social origin.

## PROTECTED DISCLOSURES ACT

The *Protected Disclosure Act 2012* enables people to make disclosures about improper conduct by public officers and public bodies. It aims to provide 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. The RMB 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 the RMB, its board members, officers or employees by contacting IBAC on the contact details provided below. The RMB is not able to receive protected disclosures.

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](http://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.

### *How can I access RMB procedures for the protection of persons from detrimental action?*

The RMB has procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure available on the RMB's website, at [www.rmb.mtbuller.com.au](http://www.rmb.mtbuller.com.au).

## CONSULTANCIES

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

In 2019, there were 5 consultancies where the total fees payable were \$10k or greater. The total expenditure incurred in 2019 in relation to these consultancies was \$388k (excl. GST).

Details of individual consultancies are outlined on the RMB's website, at [www.rmb.mtbuller.com.au](http://www.rmb.mtbuller.com.au).

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

In 2019, there were 16 consultancies where the fees payable were less than \$10k. The total expenditure incurred during 2019 was \$65k (excl. GST).

## GOVERNMENT ADVERTISING EXPENDITURE

The RMB spent nothing on government campaign expenditure in 2019.

## MAJOR CONTRACTS

The RMB entered into one major contract with a value of over \$10 million during 2019, with TravelSafe Australia to provide transport services from 2019 – 2024 with two options to extend.

## LOCAL JOBS FIRST

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

The VIP and MPSG policies continue to apply to applicable projects where contracts were entered into prior to 15 August 2018. The *Local Job First Act* in all projects valued at \$1 million or more, and the MPSG guidelines to all construction projects valued at \$20 million

or more that were entered into after 15 August 2018. The RMB commenced one such project for \$8.3m in 2019 being the Mt Buller Water Storage Project, with one principle contractor, Entracon Pty Ltd.

Based on the available information, the outcomes from the implementation of the Local Jobs First policy to this project were:

- an average of 80% local content;
- 50 jobs (annualised employee equivalent (AEE)), including 3 new jobs and the retention of 10 existing jobs (AEE);
- 4 positions for apprentices, trainees and cadets, including the retention of 3 positions and creation of 1 new position.

### COMPLIANCE WITH THE BUILDING ACT 1993

The RMB owns buildings located on Mt Buller and Mt Stirling and 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 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 achieve compliance with the building and maintenance provisions of the *Building Act 1993*, *Building Regulations 2018* and the National Construction Code.

The RMB 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 inform the annual works program delivered through maintenance contracts. In 2019:

- There were no major works projects undertaken by the RMB on RMB buildings (greater than \$50k)
- There were no building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the RMB;
- There were no emergency orders and building orders issued in relation to buildings owned by the RMB;
- There were no works required to bring RMB buildings into conformity with building standards during the 2019 period.

### FREEDOM OF INFORMATION

The purpose of the *Freedom of Information Act 1982* 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 the RMB. This comprises documents both created by the RMB or supplied to the RMB 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 the RMB is available on the RMB website under its Part II Information Statement.

The Act allows the RMB 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 the RMB in-confidence.

From 1 September 2017, the Act was 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 with a decision made by the RMB, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner within 28 days of receiving a decision letter.

#### *Making a request*

Fol requests can be lodged online at [www.foi.vic.gov.au](http://www.foi.vic.gov.au). An application fee of \$29.60 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 the RMB's Freedom of Information Officer, as detailed in s17 of the Act. When making a 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

#### *Fol statistics/timeliness*

The RMB received 1 Fol application and made 1 Fol decision during the 12 months ended 31 December 2019.

### RISK MANAGEMENT

In 2019 the Victorian Managed Insurance Authority (VMIA) conducted an organisational Risk Review with the Board & Management. 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 including climate change risk, 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.



The RMB has a Risk Management policy, appetite and process to assist staff to understand their responsibilities. The RMB maintains a risk register that identifies risks to the organisation and those associated with the use of Crown Land. The register, developed in association with the VMIA, features controls and mitigation strategies and is reviewed on a regular basis.

#### COMPETITIVE NEUTRALITY POLICY

Where government services compete or potentially compete with the private sector, competitive neutrality requires government businesses to remove any advantage arising solely from their government ownership 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.

The RMB continued to comply with the requirements of the Competitive Neutrality Policy.

#### CAPITAL PROJECTS

The RMB did not undertake any capital projects which exceeded the disclosure threshold of \$10 million in the 2019 year.

#### STAFF BONUSES

A bonus was paid to the Chief Executive Officer in 2019 in accordance with his standard Victorian Public Sector Employment contract and an assessment of his performance by the Board.

#### SUBSEQUENT EVENTS

On 16 March 2020 a state of emergency was declared in Victoria to deal with the spread of coronavirus. The state government has implemented a number of measures to reduce the spread of the virus. These measures include non-essential travel bans, with the end date currently unknown. As this situation unfolds, the impact on revenue for the Mt Buller & Mt Stirling Resort Management Board (RMB) is being assessed. At this time, the RMB has determined that no conclusive information is available to evaluate what the financial impact may be.

The Department of Environment, Land Water and Planning (DELWP) has committed to continued support of the RMB and will reassess the need to offer additional financial support during 2020. With that in mind, it has been

concluded that the going concern assumption continues to be appropriate for at least the next 12 months.

The RMB will continue working through the potential negative impacts of COVID-19, on initiatives to mitigate risks to Mt Buller and Mt Stirling, and on scenario modelling with DELWP.

#### AVAILABILITY OF OTHER INFORMATION

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:

Mt Buller Mt Stirling Resort Management

Phone: (03) 5777 6077

Email: [info@mtbuller.com.au](mailto:info@mtbuller.com.au)

#### FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Jacqueline Jennings, certify that the Mount Buller Mount Stirling Resort Management Board has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.



Dr Jacqueline Jennings

Chair

30 April 2020

#### 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.



Dr Jacqueline Jennings

Chair

30 April 2020

# 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.

Legislation	Requirement	Page reference
<i>Standing Directions &amp; Financial Reporting Directions</i>		
<b>Report of operations</b>		
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	6
FRD 22H	Purpose, functions, powers and duties	6
FRD 8D	Departmental objectives, indicators and outputs	6
FRD 22H	Key initiatives and projects	8
FRD 22H	Nature and range of services provided	6
<b>Management and structure</b>		
FRD 22H	Organisational structure	20
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	8
FRD 8D	Budget portfolio outcomes	7
FRD 10A	Disclosure index	25
FRD 12B	Disclosure of major contracts	22
FRD 15E	Executive officer disclosures	Contents Page
FRD 22H	Employment and conduct principles	8 & 21
FRD 22H	Occupational health and safety policy	21
FRD 22H	Summary of the financial results for the year	7
FRD 22H	Subsequent events	24
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	23
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	23
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	22
FRD 22H	Details of consultancies over \$10 000	22
FRD 22H	Details of consultancies under \$10 000	22
FRD 22H	Disclosure of government advertising expenditure	22
FRD 22H	Disclosure of ICT expenditure	22
FRD 22H	Statement of availability of other information	24
FRD 25D	Local Jobs First	22
FRD 29C	Workforce Data disclosures	21
SD 5.2	Specific requirements under Standing Direction 5.2	Contents Page
<b>Compliance attestation and declaration</b>		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	24
SD 5.2.3	Declaration in report of operations	Contents Page
<b>Financial statements</b>		
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	28
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	33
SD 5.2.1(a)	Compliance with Standing Directions	33
SD 5.2.1(b)	Compliance with Model Financial Report	33
<b>Other disclosures as required by FRDs in notes to the financial statements (a)</b>		
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	
FRD 11A	Disclosure of Ex gratia Expenses	
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel	58
FRD 103H	Non-Financial Physical Assets	42 & 57
FRD 110A	Cash Flow Statements	32
FRD 112D	Defined Benefit Superannuation Obligations	39
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	49
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.		
<b>Legislation</b>		
Alpine Resorts Management Act	Local Jobs Act 2003	
Building Act 1993	Financial Management Act 1994	
Protected Disclosure Act 2012	Freedom of Information Act 1982	



## Independent Auditor's Report

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

<b>Opinion</b>	<p>I have audited the financial report of Mount Buller and Mount Stirling Alpine Resort Management Board (the entity) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 31 December 2019</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration by the chairperson of the board, accountable officer's and chief executive officer and corporate services manager.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the entity as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Emphasis of Matter - COVID-19 Pandemic Subsequent Event</b>	<p>I draw attention to Note 1.2 in the financial report, which describes the impact of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.</p>
<b>Board's responsibilities for the financial report</b>	<p>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 <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the 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.</p>

**Auditor's responsibilities for the audit of the financial report**

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 May 2020



Paul Martin  
*as delegate for the Auditor-General of Victoria*

# DECLARATION

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 Assistant Treasurer, under the *Financial Management Act 1994* applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 31 December 2019 and financial position of the Mount Buller and Mount Stirling Alpine Resort Management Board at 31 December 2019.

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 30 April 2020.



.....  
Jacqueline Jennings  
Chairperson  
Manager



.....  
Mark Bennetts  
Chief Executive Officer



.....  
Jo Gibney  
Corporate Services

30 April 2020.

# COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 31 December 2019		(\$'000)	(\$'000)
	Note	2019	2018
<b>Continuing Operations</b>			
<b>Income from transactions</b>			
Gate entry	2.1	7,084	7,080
Taxi revenue	2.1	1,170	-
Site rental	2.1.2	4,608	4,515
Service charges	2.1	4,396	4,042
Government grants	2.1	3,943	-
Fair value of services received free of charge	2.1.3	87	-
Other income	2.1.1	814	713
<b>Total income from transactions</b>		<b>22,102</b>	<b>16,350</b>
<b>Expenses from transactions</b>			
Employee Expenses	3.1.1	4,408	4,298
Contracted Services, Utilities and Materials	3.1.4	7,027	5,261
Administration & Compliance	3.1.4	1,496	1,597
Marketing & Communications	3.1.4	789	857
Depreciation	4.1.1	2,816	2,722
Interest expense	6.1	31	40
Other Operating Expenses	3.1.5	591	331
<b>Total expenses from transactions</b>		<b>17,158</b>	<b>15,106</b>
<b>Net result from transactions (net operating balance)</b>		<b>4,944</b>	<b>1,244</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on other non-financial assets	8.1	(112)	(36)
<b>Total other economic flows included in net result</b>		<b>(112)</b>	<b>(36)</b>
<b>Net result</b>		<b>4,832</b>	<b>1,208</b>
<b>Other economic flows – other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation balance	8.2	-	833
<b>Total other economic flows – other comprehensive income</b>		<b>-</b>	<b>833</b>
<b>Comprehensive result</b>		<b>4,832</b>	<b>2,041</b>

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

# BALANCE SHEET

For the financial year ended 31 December 2019

	Note	(\$'000) 2019	(\$'000) 2018
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	6.2	5,565	5,648
Receivables	5.1	4,414	1,626
<b>Total Financial Assets</b>		<b>9,979</b>	<b>7,274</b>
<b>Non-Financial Assets</b>			
Inventories	5.3	34	35
Intangibles	5.4	12	12
Prepayments	5.5	379	346
Infrastructure, property, plant and equipment	4.1	201,370	196,986
<b>Total Non-Financial Assets</b>		<b>201,795</b>	<b>197,378</b>
<b>Total Assets</b>		<b>211,774</b>	<b>204,652</b>
<b>Liabilities</b>			
Payables	5.2	2,590	843
Borrowings	6.1	613	799
Employee Benefit Provisions	3.1.2	684	598
Other liabilities	5.6	869	226
<b>Total Liabilities</b>		<b>4,756</b>	<b>2,466</b>
<b>Net Assets</b>		<b>207,018</b>	<b>202,186</b>
<b>Equity</b>			
Contribution by Owner		137,489	137,489
Accumulated Surplus		14,894	10,062
Physical Asset revaluation balance	8.2	54,635	54,635
<b>Net Worth</b>		<b>207,018</b>	<b>202,186</b>

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

# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2019	<i>Physical Asset Revaluation Surplus</i>	<i>Accumulated Surplus</i>	<i>Contributions by Owner</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018	53,802	8,854	137,489	200,145
Net result for the period	-	1,208	-	1,208
Other comprehensive income for the period	833	-	-	833
<b>Balance at 31 December 2018</b>	<b>54,635</b>	<b>10,062</b>	<b>137,489</b>	<b>202,186</b>
Net result for the year	-	4,832	-	4,832
Other comprehensive income for the year	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>54,635</b>	<b>14,894</b>	<b>137,489</b>	<b>207,018</b>

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



# CASH FLOW STATEMENT

For the financial year ended 31 December 2019

		(\$'000)	(\$'000)
	Note	2019	2018
<b>Cash Flows from operating activities</b>			
Receipts			
Receipts from customers		18,613	17,557
Receipts from government		2,405	18
Interest received		45	64
<b>Total receipts</b>		<b>21,063</b>	<b>17,639</b>
Payments			
Payments to suppliers and employees		(14,558)	(13,615)
Interest and other costs of finance paid		(31)	(40)
Net Goods and Services Tax paid to the ATO		(5)	(82)
<b>Total payments</b>		<b>(14,594)</b>	<b>(13,737)</b>
<b>Net Cash Flow from/(used in) operating activities</b>	6.2.1	<b>6,469</b>	<b>3,902</b>
<b>Cash flows from investing activities</b>			
Payments for infrastructure, property, plant and equipment		(6,370)	(2,767)
Payment for Intangibles		-	(5)
Proceeds from sale of property, plant and equipment		4	98
<b>Net cash from/(used in) investing activities</b>		<b>(6,366)</b>	<b>(2,674)</b>
<b>Cash Flows from financing activities</b>			
Repayment of borrowings		(186)	(177)
Contributions by State Government		-	-
<b>Net cash from/(used in) financing activities</b>		<b>(186)</b>	<b>(177)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(83)</b>	<b>1,051</b>
Cash and cash equivalents at the beginning of the financial year		5,648	4,597
<b>Cash and cash equivalents at the end of the financial year</b>	6.2	<b>5,565</b>	<b>5,648</b>

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

## 1. ABOUT THIS REPORT

### 1.1 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 2019. 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 2019 to 31 December 2019.

#### *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. Refer to Note 8.9 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 are reported.

#### *Initial application of Australian Accounting Standards*

The RMB has adopted AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases for the first time in the current year in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

#### *Overview of AASB 15 and AASB 1058*

AASB 15 shifts the focus from transaction-level accounting to a contract-based accounting approach. AASB 1058 applies to all income for Not-for-Profit entities that is not captured by AASB 15. This standard has impacted how volunteer services are accounted for and the revenue recognition treatment applied to grant income which does not meet the criteria to be accounted for under AASB 15.

Under the new income recognition model applicable to not-for-profit entities, the RMB shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the RMB applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the RMB shall consider whether AASB 1058 applies.

Under AASB 15 income is recognised at a point in time when the performance obligation is satisfied or over time as the performance obligations are satisfied.

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when each performance obligation is satisfied per AASB 15.

Under AASB 1058 the initial carrying amount of an asset received, in excess of related amounts recognised under other accounting standards, is recognised immediately in profit or loss at fair value. This excludes transfers to enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, for which the initial transfer received is recognised as a 'performance obligation' liability, which is released to profit or loss as income over time as the entity satisfies the performance obligations under the transfer.

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provided in Note 2, below.

#### *Transition impact*

The RMB adopted AASB 15 and AASB 1058 using the modified (cumulative catch up) method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, any cumulative effect of applying these new standards is adjusted to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the RMB has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 January 2019.

The RMB has assessed the impact on transition to AASB 15 and AASB 1058 and concluded that, after applying the practical expedient set out above, there is no material impact on the prior year comparative balances. Accordingly, no adjustments have been made to retained earnings balances as at 1 January 2019 on transition to this standard.

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the transitional treatment of AASB15 and AASB1058:

	Note	Amounts prepared under		Increase/ decrease (\$'000)
		AASB15/ AASB1058 (\$'000)	Previous AAS (\$'000)	
<b>Comprehensive Operating Statement</b>				
Government grants	2.1	3,943	4,347	(404)
Sale of rights to lease and develop crown land	2.1	-	250	(250)
<b>Comprehensive result</b>		<b>3,943</b>	<b>4,597</b>	<b>(654)</b>
<b>Balance sheet</b>				
Performance liability obligation	5.6	404	-	404
Contract Liability - Land Release	5.6	250	-	250
<b>Net Assets</b>		<b>654</b>	<b>-</b>	<b>654</b>

#### Overview of AASB 16

This standard requires entities to bring the majority of operating leases on-balance sheet. Leases previously recognised off-balance sheet will be accounted for as right-of-use assets and lease liabilities. Under this standard the definition of a lease is expanded which may result in some service contracts being defined as lease contracts under this standard.

#### Transition impact

As set out above RMB has applied the modified (cumulative catch up) approach upon transition to this standard. The RMB has assessed the impact on transition to AASB 16 and concluded that there is no material impact on the prior year comparative balances. Accordingly, no adjustments have been made to retained earnings as at January 2019 on transition to this standard. Further there has been no impact on 2019 balances as a result of the implementation of this standard.

## 1.2 Subsequent Events

### COVID - 19

On 16 March 2020 a state of emergency was declared in Victoria to deal with the spread of coronavirus. The state government has implemented a number of measures to reduce the spread of the virus. These measures include non-essential travel bans, with the end date currently unknown. As this situation unfolds, the impact on revenue for the Mt Buller & Mt Stirling Resort Management Board (RMB) is being assessed. At this time, the RMB has determined that no conclusive information is available to evaluate what the financial impact may be.

The Department of Environment, Land Water and Planning (DELWP) has committed to continued support of the RMB and will reassess the need to offer additional financial support during 2020. With that in mind, it has been concluded that the going concern assumption continues to be appropriate for at least the next 12 months.

The RMB will continue working through the potential negative impacts of COVID-19, on initiatives to mitigate risks to Mt Buller and Mt Stirling, and on scenario modelling with DELWP.

## 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 is recognised at point of entry. The performance obligation is satisfied when the customer enters the resort and obtains control of the service. 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.

#### *Taxi Revenue*

Taxi revenue is recognised at a point in time when the performance obligation is satisfied, which is when the taxi service is provided.

#### *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

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

Where control is transferred over time, generally the input methods, being either costs or time incurred, are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant transfers received to enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity are accounted for under AASB 1058. The initial transfer received is recognised as a 'performance obligation' liability, which is released to profit or loss as income over time as the entity satisfies the performance obligation under the transfer. In most cases the performance obligations are deemed to be met in line with the stage of completion of the underlying non-financial asset.

Government Grants	(\$'000)	(\$'000)
	2019	2018
Operating Grants under AASB 15	97	-
Capital Grant under AASB 1058	3,846	-
	3,943	-

### Sale of right to release and develop Crown land

Revenue received from the sale of rights to lease and develop crown land is normally received in advance of the related lease period. This income is deferred on the balance sheet as a 'contract liability' and released to profit and loss when the related performance obligations are met. In most cases the performance obligations are deemed to be met over time over the period of the underlying lease contract.

No contract assets have been recognised as at 31 December 2019 (2018: Nil).

Refer to note 5.6 for disclosure of contract liabilities and unsatisfied performance obligations.

No revenue was recognised in the reporting period that was included in the contract liability balances at the beginning of the period (2018: Nil).

No revenue was recognised in the reporting period from performance obligations satisfied, or partially satisfied, in previous periods.

2.1.1 Other Income	(\$'000)	(\$'000)
	2019	2018
Marketing Revenue	119	163
Interest Income	73	87
Gas Income	84	85
Other Income	538	378
	814	713

### Marketing Revenue

Marketing Revenue is recognised when the performance obligation is satisfied and the service has been provided.

### Interest

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 and the performance obligation is satisfied, being when the goods 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.

**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. The RMB maintains the risks and rewards of ownership of the land and classifies the leases as operating leases.

**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. The RMB maintains the risks and rewards of the related assets and classifies the leases as operating leases.

2.1.2 Leases	(\$'000)	(\$'000)
	2019	2018
<b>Non-cancellable operating lease income</b>		
Site rent	4,608	4,515
Gas income	84	85
	<u>4,692</u>	<u>4,600</u>
<b>Non-cancellable operating lease receivables</b>		
Not longer than 1 year	4,502	4,195
Longer than 1 year and not longer than 5 years	14,905	14,403
Longer than 5 years	62,805	60,427
	<u>82,211</u>	<u>79,025</u>

**2.1.3 Fair value of services received free of charge**

Contributions in the form of Volunteer services provided to the RMB are recognised as income only when a fair value can be reliably determined and the services would have been purchased if not donated. These services are recognised at fair value upon the services being provided.

	(\$'000)	(\$'000)
	2019	2018
Volunteer Ski Patrol services	7	-
Volunteer Mountain Pygmy Possum monitoring services	80	-
	<u>87</u>	<u>-</u>

These services have been recognised for the first time in 2019, as the result of the implementation of AASB 1058. Accordingly, no comparative balances have been disclosed.

**3. EXPENSES INCURRED IN DELIVERY OF SERVICES**

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

3.1.1 Employee benefits in the comprehensive operating statement	(\$'000)	(\$'000)
	2019	2018
Superannuation expense	346	332
Salaries, wages, annual leave and long service leave	3,991	3,769
Other employee benefits	70	53
Termination benefits	-	144
<b>Total employee expenses</b>	<u>4,408</u>	<u>4,298</u>

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.

### 3.1.2 Employee benefits in the balance sheet

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

	(\$'000)	(\$'000)
	2019	2018
<b>Current provisions:</b>		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	182	161
Unconditional and expected to settle after 12 months	18	16
<i>Long Service Leave entitlements</i>		
Unconditional and expected to settle within 12 months	15	15
Unconditional and expected to settle after 12 months	331	256
<i>Other Employee Benefits</i>		
Accrued day off (ADO) entitlements	16	10
Employee bonus entitlements	14	-
	576	458
<i>Provision for on-costs</i>		
Unconditional and expected to settle within 12 months	9	7
Unconditional and expected to settle after 12 months	16	11
	24	18
<b>Total current provisions for employee benefits</b>	<b>600</b>	<b>476</b>
<b>Non-current provisions:</b>		
<i>Employee benefits</i>		
Conditional long service leave entitlements	81	117
On-costs	4	5
	84	122
<b>Total non-current provisions for employee benefits</b>	<b>84</b>	<b>122</b>
<b>Total provision for employee benefits</b>	<b>684</b>	<b>598</b>
<b>Reconciliation of movement in on-cost provision</b>	(\$'000)	(\$'000)
	2019	2018
<b>Opening Balance</b>	<b>23</b>	<b>-</b>
Additional provisions recognised	16	-
Reductions arising from payments/other sacrifices of future economic benefits	(11)	-
	<b>28</b>	<b>-</b>
<b>Closing Balance</b>	<b>28</b>	<b>-</b>
Current	24	-
Non-Current	4	-
	<b>28</b>	<b>-</b>

**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:

- undiscounted 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 a conditional 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:

	(\$'000)		(\$'000)	
	Paid contribution for the year		Contribution outstanding at year end	
Defined Contribution	2019	2018	2019	2018
Vic Super	90	77	6	7
Aust Retirement Fund	60	66	5	4
First Super	30	30	3	3
Host Plus Superannuation	59	54	5	5
Other	107	105	20	16
<b>Total</b>	<b>346</b>	<b>332</b>	<b>38</b>	<b>35</b>



3.1.4 Expenses from transactions other than employee benefits	(\$'000)	(\$'000)
	2019	2018
<b>Contracted Services, Utilities &amp; Materials</b>		
Contractors & Contracted Services	1,596	1,592
Transport Services	2,897	1,226
Utilities	1,131	1,026
Waste Services	692	750
Materials & Maintenance	566	550
Consultants	145	117
<b>Total</b>	<b>7,027</b>	<b>5,261</b>
<b>Administration &amp; Compliance</b>		
Insurance	436	487
ARCC Contributions	332	383
Other Administration & Compliance	728	727
<b>Total</b>	<b>1,496</b>	<b>1,597</b>

***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.

***Transport Services***

Transport Services costs relate to the costs incurred with delivering and managing the transport service requirements 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 are 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.

**3.1.5 Other Operating Expenses**

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

Volunteer Services provided to the RMB are recognised as expenditure only when a fair value can be reliably recognised and the services would have been purchased if not donated. These services are recognised at fair value upon the services being provided.

	(\$'000)	(\$'000)
	2019	2018
Volunteer Services Cost	87	-
Other Operating Expenses	504	331
<b>Total</b>	<b>591</b>	<b>331</b>

Volunteer Services Costs have been recognised for the first time in 2019, as the result of the implementation of AASB 1058. Accordingly no comparative balances have been disclosed.

## 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

## 4.1 Total, Infrastructure, Property, Plant &amp; Equipment

	(\$'000)	(\$'000)
	2019	2018
<i>Land</i>		
Land at Fair Value – Mount Buller – Village (Leased)	92,318	92,318
Land at Fair Value – Mount Buller – Other (Non-leased)	3,647	3,647
Land under Roads at Fair Value – Mount Buller (Non-leased)	7,020	7,020
Land at Fair Value – Mount Stirling (Non-leased)	3,132	3,132
<b>Total Land at Fair Value</b>	<b>106,117</b>	<b>106,117</b>
<i>Buildings</i>		
Buildings at Fair Value	23,053	22,798
Less Accumulated Depreciation	(1,544)	(769)
<b>Total of Buildings at Fair Value</b>	<b>21,508</b>	<b>22,029</b>
<i>Infrastructure Assets</i>		
Infrastructure - Garbage	264	264
Less Accumulated Depreciation	(47)	(23)
<b>Total Infrastructure - Garbage</b>	<b>217</b>	<b>241</b>
Infrastructure – Gas (Leased)	1,037	1,037
Less Accumulated Depreciation	(73)	(36)
<b>Total Infrastructure - Gas</b>	<b>964</b>	<b>1,001</b>
Infrastructure - Mt Stirling	9,800	9,717
Less Accumulated Depreciation	(160)	(81)
<b>Total Infrastructure - Mt Stirling</b>	<b>9,640</b>	<b>9,636</b>
Infrastructure - Sewerage	8,176	8,029
Less Accumulated Depreciation	(464)	(231)
<b>Total Infrastructure - Sewerage</b>	<b>7,711</b>	<b>7,798</b>
Infrastructure - Village Services	3,193	2,854
Less Accumulated Depreciation	(376)	(185)
<b>Total Infrastructure - Village Services</b>	<b>2,817</b>	<b>2,669</b>
Infrastructure - Water	8,699	8,703
Less Accumulated Depreciation	(340)	(161)
<b>Total Infrastructure - Water</b>	<b>8,359</b>	<b>8,542</b>
Infrastructure - Roads & Carparks	35,492	34,826
Less Accumulated Depreciation	(1,738)	(875)
<b>Total Infrastructure - Roads &amp; Carparks</b>	<b>33,754</b>	<b>33,951</b>
<b>Total of Infrastructure Assets at Fair Value</b>	<b>63,462</b>	<b>63,837</b>

4.1 Total, Infrastructure, Property, Plant & Equipment (cont.)	(\$'000)	(\$'000)
	2019	2018
<i>Plant, equipment and motor vehicles</i>		
Plant, equipment and motor vehicles at Fair Value	5,904	5,876
Less Accumulated Depreciation	(4,598)	(4,164)
<b>Total of Plant, Equipment &amp; Motor Vehicles at Fair Value</b>	<b>1,306</b>	<b>1,712</b>
Art work at Fair Value	147	147
Capital Work in Progress at Cost	8,830	3,143
<b>Total Infrastructure, Property, Plant and Equipment</b>	<b>201,370</b>	<b>196,986</b>

**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	(\$'000)	(\$'000)
	2019	2018
Buildings	776	767
Plant, equipment and motor vehicles	434	461
Infrastructure - Garbage	24	25
Infrastructure - Gas	36	36
Infrastructure - Mt Stirling	81	75
Infrastructure - Sewerage	234	222
Infrastructure - Village Services	191	147
Infrastructure - Water	178	175
Infrastructure - Roads & Carparks	862	814
<b>Total depreciation</b>	<b>2,816</b>	<b>2,722</b>

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

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

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

Buildings	15 to 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:** The recoverable amount of primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

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

	Land At Fair Value	Buildings At Fair Value	Infrastruct ure Assets At Fair Value	Plant, Equipmen t and Motor Vehicles At Fair Value	Art Works At Fair Value	CWIP At Cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>							
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
<b>Closing net book value</b>	<b>106,117</b>	<b>22,029</b>	<b>63,838</b>	<b>1,712</b>	<b>147</b>	<b>3,143</b>	<b>196,986</b>
<b>2019</b>							
Opening balance	106,117	22,029	63,838	1,712	147	3,143	196,986
Additions	-	-	-	-	-	7,316	7,316
Disposals	-	-	(6)	-	-	(110)	(116)
Depreciation	-	(776)	(1,606)	(434)	-	-	(2,816)
Transfers	-	255	1,237	27	-	(1,519)	-
<b>Closing net book value</b>	<b>106,117</b>	<b>21,508</b>	<b>63,462</b>	<b>1,306</b>	<b>147</b>	<b>8,830</b>	<b>201,370</b>

#### 5. OTHER ASSETS AND LIABILITIES

<b>Structure</b>	
Receivables	5.1
Payables	5.2
Inventories	5.3
Intangibles	5.4
Prepayments	5.5
Other liabilities	5.6

5.1 Receivables	(\$'000)	(\$'000)
	2019	2018
<b>Current</b>		
<b>Contractual</b>		
Sale of good and services	4,093	1,505
Accrued Investment Income	2	30
	<u>4,095</u>	<u>1,535</u>
<b>Statutory</b>		
GST input tax recoverable	319	91
	<u>319</u>	<u>91</u>
<b>Total current receivables</b>	<b><u>4,414</u></b>	<b><u>1,626</u></b>

**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

(\$ '000)							
	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	
<u>Receivables</u>							
2019	4,095	1,841	-	2,078	170	6	-
2018	1,535	1,479	-	32	23	1	-

The carrying value of debtors at 31 December 2019 approximates fair value. A provision of nil (2018: 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 2019 was 9.5% per annum. (2018: 9.5%)

5.2 Payables	(\$'000)	(\$'000)
	2019	2018
<b>Current</b>		
<b>Contractual</b>		
Supplies and services	388	165
Accrued expenses	1,904	569
Other payables	151	2
	<b>2,442</b>	<b>736</b>
<b>Statutory</b>		
FBT payable	9	13
Other tax payable	139	94
	<b>148</b>	<b>107</b>
<b>Total payables</b>	<b>2,590</b>	<b>843</b>

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

	(\$'000)						
	Maturity dates						
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months – 1 year	1-5 year	More than 5 years
<b>Payables</b>							
2019	2,442	2,442	-	2,442	-	-	-
2018	736	736	-	736	-	-	-

	(\$'000)	(\$'000)
5.3 Inventories	2019	2018
Consumables	34	35
<b>Total Inventories</b>	<b>34</b>	<b>35</b>

	(\$'000)	(\$'000)
5.4 Intangibles	2019	2018
Intangibles	12	12
<b>Total Intangibles</b>	<b>12</b>	<b>12</b>

	(\$'000)	(\$'000)
5.5 Prepayments	2019	2018
Prepayments (current)	379	346
<b>Total Prepayments</b>	<b>379</b>	<b>346</b>

Prepayments represent part of expenditure for goods and services made in one accounting period covering a term extending beyond that period.

	(\$'000)	(\$'000)
	2019	2018
<b>5.6 Contract liabilities</b>		
Performance Liability Obligation	404	-
Contract Liability - Land Release	250	-
<b>Other contract liabilities</b>		
Unearned revenue – current	215	226
<b>Total Other Liabilities</b>	<b>869</b>	<b>226</b>

#### *Performance Liability Obligation*

The performance liability obligation balance relates to grant funding received for the construction of non-financial assets, to be controlled by the RMB, for which obligations under the transfer are yet to be satisfied. Grant funding is received as contract milestone are met in line with the underlying grant agreements, whereas revenue is recognised over time of a stage of completion basis. Accordingly, this balance represents the amount of capital grant funding received in excess of the percentage completion of the related capital project. The related capital project is expected to be completed during the 2020 year and accordingly unsatisfied performance obligations are expected to be satisfied, and the balance is expected to be recognised as income in full, in the 2020 year.

#### *Contract Liability – Land Release*

The contract liability – land release balance relates to revenue received from the sale of rights to lease and develop crown land. The revenue is received in advance and deferred as a contract liability which is then released to profit or loss when the related performance obligations are deemed to be met. Performance obligations are deemed to be met over the period of the underlying lease contract.

The related unsatisfied performance obligations are expected to be satisfied within the following periods:

	(\$'000)
Within 1 year	-
From 1 to 5 years	26
After 5 years	224
	<b>250</b>

#### *Other contract liabilities*

The unearned revenue balance relates to season pass gate entry, grant revenue, site rent and service charges revenue received in advance for which the related services are yet to be provided, accordingly performance obligations are yet to be met. This revenue will be released to profit or loss overtime as the related performance obligations are met. The unsatisfied performance obligations are expected to be met in the 2020 year. Accordingly these balances are expected to be recognised as income in the 2020 year.

## 6. HOW WE FINANCED OUR OPERATIONS

### Structure

Borrowings	6.1
Cash flow information	6.2
Commitments for expenditure	6.3

	(\$'000)	(\$'000)
	2019	2018
<b>6.1 Borrowings</b>		
<b>Current</b>		
Interest bearing loan – La Trobe University (i)	212	212
	<b>212</b>	<b>212</b>
<b>Non-Current</b>		
Interest bearing loan – La Trobe University (i)	402	587
	<b>402</b>	<b>587</b>
<b>Total Borrowings</b>	<b>613</b>	<b>799</b>

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.

#### Maturity analysis of borrowings

	(\$ '000)						
	Carrying amount	Nominal amount	Maturity dates				
Less than 1 month			1-3 months	3 months - 1 year	1-5 year	More than 5 years	
<b>Borrowings</b>							
2019	613	613	-	25	186	402	-
2018	799	799	-	35	177	587	-

Interest expense	(\$'000)	
	2019	2018
Interest expense	31	40
<b>Total interest expense</b>	<b>31</b>	<b>40</b>

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	(\$'000)	
	2019	2018
Cash at bank and on hand	1,797	580
Short-term deposits	3,768	5,068
<b>Balance as per cash flow statement</b>	<b>5,565</b>	<b>5,648</b>

The RMB does not have access to a bank overdraft as at 31 December 2019.

Included in these cash balances are amounts set aside for use as the RMB's Snow Drought Fund of \$600,000 (2018: \$600,000), Debt Repayment Fund of \$350,000 (2018: \$350,000) and Capital Improvement Fund of \$3,000,000 (2018: \$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.

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

	(\$'000)	(\$'000)
From Operating Activities to operating Profit Operating	2019	2018
Profit for the period	4,832	1,208
<b>Non-cash movements:</b>		
Depreciation	2,816	2,722
Net (Gain)/Loss on Sale of Fixed Assets	2	1
Impairment of Non-current assets	110	35
<b>Movements in assets and liabilities:</b>		
Decrease/(Increase) in Trade and Other Debtors	(2,788)	(105)
Decrease/(Increase) in Inventories	1	(12)
Decrease/(Increase) in Other Current Assets	(33)	6
Increase/(Decrease) in Payables	800	(127)
Increase/(Decrease) in Current Provisions	125	(1)
Increase/(Decrease) in Non-Current Provisions	(39)	6
Increase/(Decrease) in Other liabilities	643	169
<b>Net cash flows from/(used in) operating activities</b>	<b>6,469</b>	<b>3,902</b>

### 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:

	(\$'000)	(\$'000)
<b>Total Commitments Payable</b>	<b>2019</b>	<b>2018</b>
<i>Capital expenditure commitments</i>		
Within one year	5,722	6,002
Later than one year but not later than 5 years	-	3,300
Longer than 5 years	-	-
<b>Total capital expenditure commitments (i)</b>	<b>5,722</b>	<b>9,302</b>
<i>Other operating commitments</i>		
Within one year	4,295	1,423
Later than one year but not later than 5 years	14,253	5,534
Longer than 5 years	29,264	29,528
<b>Total operating expenditure commitments (ii)</b>	<b>47,812</b>	<b>36,485</b>
<b>Total commitments Payable</b>	<b>53,534</b>	<b>45,787</b>

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

(ii) The above operating expenditure commitments are for operating agreements with the majority in relation to the Ski Patrol services provided by Mount Buller Ski Lifts and Transport services provided by Travelsafe Australia.

## 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

##### *Contractual receivables at amortised cost*

The RMB applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The RMB has grouped contractual receivable on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the RMB's past history and existing marketing conditions. Based on this assessment management has assessed a nil expected credit loss over contractual receivables at as 20 December 2019 (2018: Nil).

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

##### *Statutory receivables at amortised cost*

The RMB's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit risk rating, risk of default and capacity to meet contractual cash flow obligations on the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised at 31 December 2019 (2018: Nil).

### 7.1.1 Financial instruments: Categorisation

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

			(\$'000)	(\$'000)
	Note	Category	Carrying amount 2019	Carrying amount 2018
<b>Contractual financial assets</b>				
Cash and deposits	6.2	Amortised Cost	5,565	5,648
Receivables	5.1	Amortised Cost	4,095	1,535
<b>Total contractual financial assets</b>			<b>9,660</b>	<b>7,183</b>
<b>Contractual financial liabilities</b>				
Payables	5.2	Amortised Cost	2,442	736
Interest bearing liabilities	6.1	Amortised Cost	613	799
<b>Total contractual financial liabilities</b>			<b>3,055</b>	<b>1,535</b>

### 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.

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

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

#### Financial instruments: Market risk

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

### Financial instruments: Interest rate risk

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

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

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

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

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

		Interest rate exposure				Interest rate risk			
						-2%		2%	
2019	Weighted average effective interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Net result	Equity	Net result	Equity
<b>Financial assets:</b>									
Cash at bank and on hand	0.10	1,797	-	1,797	-	(36)	(36)	36	36
Short-term Deposits	0.85	3,768	-	3,768	-	(75)	(75)	75	75
Receivables	-	4,096	-	-	4,096	-	-	-	-
<b>Total</b>		<b>9,660</b>	<b>-</b>	<b>5,565</b>	<b>4,096</b>	<b>(111)</b>	<b>(111)</b>	<b>111</b>	<b>111</b>
<b>Financial liabilities:</b>									
Payables	-	2,442	-	-	2,442	-	-	-	-
Borrowings	5.22	613	613	-	-	-	-	-	-
<b>Total</b>		<b>3,055</b>	<b>613</b>	<b>-</b>	<b>2,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total increase/(decrease)</b>						<b>(111)</b>	<b>(111)</b>	<b>111</b>	<b>111</b>
		Interest rate exposure				Interest rate risk			
						-2%		2%	
2018	Weighted average effective interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Net result	Equity	Net result	Equity
<b>Financial assets:</b>									
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	-	-	-	-
<b>Total</b>		<b>7,183</b>	<b>-</b>	<b>5,648</b>	<b>1,535</b>	<b>(113)</b>	<b>(113)</b>	<b>113</b>	<b>113</b>
<b>Financial liabilities:</b>									
Payables	-	739	-	-	739	-	-	-	-
Borrowings	5.22	799	799	-	-	-	-	-	-
<b>Total</b>		<b>1,538</b>	<b>799</b>	<b>-</b>	<b>739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total increase/(decrease)</b>						<b>(113)</b>	<b>(113)</b>	<b>113</b>	<b>113</b>

(\$'000)

## 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 2019 the RMB has provided for \$32,000 (2018 \$72,000) 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.

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.

## 7.3.2 Fair value determination of non-financial assets

## Fair value measurement hierarchy for assets as at 31 December 2019

	Carrying amount as at 31 December 2019	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
(\$'000)				
Land at fair value				
Non Specialised Land (Non-leased)	390	-	390	-
Specialised land (Leased)	92,318	-	-	92,318
Specialised land (Non-leased)	13,409	-	-	13,409
<b>Total of land at fair value</b>	<b>106,117</b>	<b>-</b>	<b>390</b>	<b>105,727</b>
Buildings at fair value				
Non-specialised buildings	100	-	100	-
Specialised buildings	21,408	-	-	21,408
<b>Total of buildings at fair value</b>	<b>21,508</b>	<b>-</b>	<b>100</b>	<b>21,408</b>
Plant, equipment and vehicles at fair value				
Vehicles	540	-	-	541
Plant and equipment	766	-	-	766
<b>Total of plant, equipment and vehicles at fair value</b>	<b>1,306</b>	<b>-</b>	<b>-</b>	<b>1,307</b>
Infrastructure at fair value				
Infrastructure - Garbage	217	-	-	217
Infrastructure - Gas (Leased)	964	-	-	964
Infrastructure - Mt Stirling	9,640	-	-	9,640
Infrastructure - Sewerage	7,711	-	-	7,711
Infrastructure - Village Facilities	2,817	-	-	2,817
Infrastructure - Water	8,359	-	-	8,359
Infrastructure - Roads & Carparks	33,754	-	-	33,754
<b>Total of infrastructure at fair value</b>	<b>63,462</b>	<b>-</b>	<b>-</b>	<b>63,463</b>
Cultural assets at fair value				
Artworks	147	-	147	-
<b>Total of cultural assets at fair value</b>	<b>147</b>	<b>-</b>	<b>147</b>	<b>-</b>

(i) Classification in accordance with the fair value hierarchy

## Fair value measurement hierarchy for assets as at 31 December 2018

	(\$'000)			
	Carrying amount as at 31 December 2018	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
Land at fair value				
Non Specialised Land (Non-leased)	390	-	390	-
Specialised land (Leased)	92,318	-	-	92,318
Specialised land (Non-leased)	13,409	-	-	13,409
<b>Total of land at fair value</b>	<b>106,117</b>	<b>-</b>	<b>390</b>	<b>105,727</b>
Buildings at fair value				
Non-specialised buildings	100	-	100	-
Specialised buildings	21,929	-	-	21,929
<b>Total of buildings at fair value</b>	<b>22,029</b>	<b>-</b>	<b>100</b>	<b>21,929</b>
Plant, equipment and vehicles at fair value				
Vehicles	686	-	-	686
Plant and equipment	1,026	-	-	1,026
<b>Total of plant, equipment and vehicles at fair value</b>	<b>1,712</b>	<b>-</b>	<b>-</b>	<b>1,712</b>
<b>Infrastructure at fair value</b>				
Infrastructure - Garbage	241	-	-	241
Infrastructure – Gas (Leased)	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
<b>Total of infrastructure at fair value</b>	<b>63,838</b>	<b>-</b>	<b>-</b>	<b>63,838</b>
<b>Cultural assets at fair value</b>				
Artworks	147	-	147	-
<b>Total of cultural assets at fair value</b>	<b>147</b>	<b>-</b>	<b>147</b>	<b>-</b>

(i) Classification in accordance with the fair value hierarchy

**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 2019.

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

Reconciliation of Level 3 fair value						(\$'000)
2019	<i>Specialised land</i>	<i>Specialised buildings</i>	<i>Vehicles</i>	<i>Plant and equipment</i>	<i>Infrastruc- ture</i>	
<b>Opening balance</b>	<b>105,727</b>	<b>21,929</b>	<b>686</b>	<b>1,026</b>	<b>63,837</b>	
Purchases (sales)	-	255	-	27	1,231	
Depreciation	-	(776)	(146)	(287)	(1,606)	
<b>Subtotal</b>	<b>-</b>	<b>(521)</b>	<b>(146)</b>	<b>(260)</b>	<b>(375)</b>	
Gains or losses recognised in other economic flows – other comprehensive income						
Revaluation	-	-	-	-	-	
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Closing balance</b>	<b>105,727</b>	<b>21,408</b>	<b>540</b>	<b>766</b>	<b>63,462</b>	



## Reconciliation of Level 3 fair value

(\$'000)

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

## Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant Unobservable Inputs
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
Other accounting policies	8.7
Australian Accounting Standards issued that are not yet effective	8.8
Style Conventions	8.9

### 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*; and

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

Other economic flows included in net result

	(\$'000)	(\$'000)
	2019	2018
<b>Net gain/(loss) on non-financial assets</b>		
Impairment of Capital works in progress	(110)	(35)
Net gain/(loss) on disposal of physical assets	(2)	(1)
<b>Total Net gain/(loss) on non-financial assets</b>	<b>(112)</b>	<b>(36)</b>

### 8.2 Physical asset revaluation balance

	(\$'000)	(\$'000)
	2019	2018
Balance of Land revaluation surplus at beginning of the financial year	82	82
Revaluation of land	-	-
<b>Balance of land revaluation surplus at the end of the financial year</b>	<b>82</b>	<b>82</b>
Balance of Buildings revaluations surplus at beginning of the financial year	12,964	12,979
Revaluation of buildings	-	(15)
<b>Balance of buildings revaluation surplus at the end of the financial year</b>	<b>12,964</b>	<b>12,964</b>
Balance of Infrastructure revaluation surplus at beginning of the financial year	41,589	40,741
Revaluation of infrastructure	-	848
<b>Balance of Infrastructure revaluation surplus at the end of the financial year</b>	<b>41,589</b>	<b>41,589</b>
<b>Balance physical asset revaluation surplus at end of year</b>	<b>54,635</b>	<b>54,635</b>

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.

### 8.3 Responsible persons

#### 8.3.1 Responsible persons

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

The 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 from May 2016*)

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

Richard Leder, (*Deputy Chairman of RMB*) – appointed 29/03/2018

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

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

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

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

Sue Lebish, (*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 2019 was \$330,932 (2018: \$315,421). The number of responsible persons whose remuneration from the RMB was within the specified bands is as follows:

\$000's	2019	2018
1-10	2	6
11-20	5	5
41-50	-	-
111-120	-	-
161-170	-	-
231-240	-	1
241-250	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.

**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.

	(\$'000)	(\$'000)
	Total remuneration	
<b>Remuneration of executive officers</b>		
<b>(including Key management Personnel disclosed in Note 8.5)</b>	<b>2019</b>	<b>2018</b>
Short-term employee benefits	834	822
Post-employment benefits	71	66
Other long-term benefits	21	24
Termination benefits	-	147
<b>Total remuneration<sup>(a)</sup></b>	<b>926</b>	<b>1,059</b>
<b>Total number of executives</b>	<b>7</b>	<b>10</b>
<b>Total annualised employment equivalents (AAE)<sup>(b)</sup></b>	<b>6.7</b>	<b>6.7</b>

Notes:

- (a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).
- (b) 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 \$4,396,646 (2018: \$11,984) from Government related entities, made operational payments of \$22,364 (2018: \$73,132), and received interest income of \$73,047 (2018: \$87,440).

The government-related entity transactions for the year include:

- \$4,250,000 in Government Grants from the Department of Economic Development, Jobs, Transport and Resources, of which \$3,846,000 has been recognised as revenue, and \$404,000 has been deferred as a contract liability at note 5.6.
- \$97,500 in Government Grants from Sustainability Victoria.
- \$48,146 in Government Services income from the Department of Economic Development, Jobs, Transport and Resources.
- \$20,600 in payments to the Department of Environment, Land, Water and Planning for valuation fees in relation to properties on Mt Buller.
- \$1,764 in payments to the Department of Environment, Land, Water and Planning for planning applications and other minor expense.
- The RMB received \$73,047 in interest from the Treasury Corporation of Victoria for monies invested during the 2019 year. At year end total investments of \$3,767,996 were held with Treasury Corporation of Victoria. Interest of \$1,796 is owed to RMB at 31 December 2019 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	Richard Leder	Deputy Chairperson
RMB	Helen Moran	Governing board member
RMB	Michael Monester	Governing board member
RMB	Michelle Croughan	Governing board member
RMB	Peter Valerio	Governing board member
RMB	Sue Lebish	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.

	(\$'000)	(\$'000)
Compensation of Key Management Personnel	2019	2018
Short-term employee benefits	299	285
Post-employment benefits	26	25
Other long-term benefits	6	5
Termination benefits	-	-
<b>Total remuneration<sup>(a)</sup></b>	<b>331</b>	<b>315</b>

(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:

	(\$'000)	(\$'000)
	2019	2018
<b>Kabuki Chalets Pty Ltd (Richard Leder)</b>		
Revenue received <sup>(1)</sup>	100	-

#### Molony's Apartments Pty Ltd (Zita Peach)

Revenue received <sup>(1)</sup>	-	27
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<sup>(1)</sup>The above related party transactions relate to apartments owned by board members for which site rental and service charges are paid to the RMB on an arm's length basis.

There are no other related party transactions over \$6k in value.

#### 8.6 Auditor's Remuneration

	(\$'000)	(\$'000)
	2019	2018
<b>Audit Services</b>		
Internal Auditor	40	6
Victorian Auditor-General	25	24
<b>Total Audit Services</b>	<b>65</b>	<b>30</b>

## 8.7 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.

### 8.8 Australian Accounting Standards (AASs) issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 31 December 2019 reporting period. The RMB assess the impact of all these new standards to determine their applicability and early adoption.

As at 31 December 2019, 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 2019. The RMB has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on RMB financial statements
<i>AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The assessment has indicated that there will be no significant impact for the RMB.

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 2018-19 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.

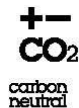
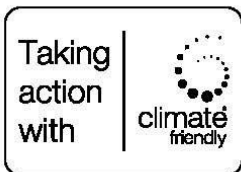
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*

### 8.9 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.



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