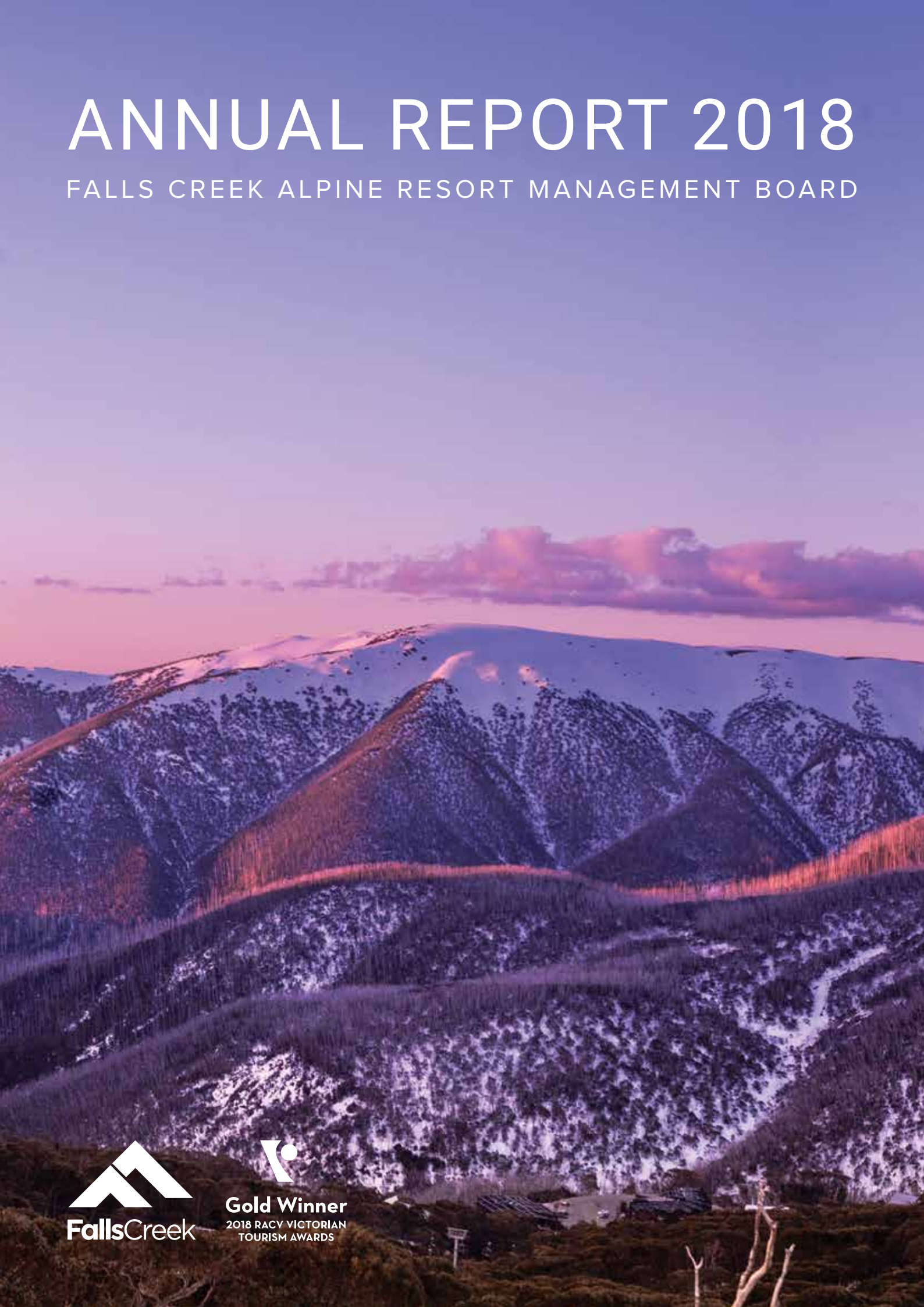


# ANNUAL REPORT 2018

FALLS CREEK ALPINE RESORT MANAGEMENT BOARD



**Gold Winner**  
2018 RACV VICTORIAN  
TOURISM AWARDS

**Falls Creek Resort Management**

ABN 21 789 770 569

1 Slalom Street, Falls Creek VIC 3699

PO Box 50, Falls Creek VIC 3699

Telephone 03 5758 1200

fcrm@fallscreek.com.au

www.fallscreek.com.au



February 2019

The Hon. Lily D'Ambrosio MP  
Minister for Energy, Environment and Climate Change  
Level 16, 8 Nicholson Street  
East Melbourne, VIC, 3002

Dear Minister D'Ambrosio,

**Re: Falls Creek Alpine Resort Management Board Annual Report 2018**

We have pleasure in submitting to you for presentation to Parliament, the Annual Report of the Falls Creek Alpine Management Board, covering the period, 1<sup>st</sup> January 2018 to 31<sup>st</sup> December 2018.

In accordance with the *Financial Management Act 1994*, the Annual Report contains the Report of Operations and Statutory Financial Statements for the Board for the reporting period.

We extend our appreciation for the support provided by the Victorian Government and the assistance provided by the Department of Environment, Land, Water and Planning throughout the year.

We look forward to welcoming you to Falls Creek in the near future to share our vision for the resort and our continued evolution into an all seasons alpine experience.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jo Shannon".

**Jo Shannon**  
Chair

A handwritten signature in black ink, appearing to read "Stuart Smythe".

**Stuart Smythe**  
CEO

# Contents

## REPORT OF OPERATIONS

Letter to the Minister	2
Chair's Report	4
CEO's Report	6
Resort Profile	8
Vision, Mission and Principles	9
Year at a glance	10
Enhancing the Visitor Experience and Building Partnerships	12
Developing the Resort and Broadening Access Opportunities	14
Delivering Resort Services and Infrastructure	16
Respecting the Alpine Environment	19
Sustainability and Climate Adaptation	20
Organisational Structure	22
Board Profile	23
Board Committees	25
OH&S and Human Resources	26
Compliance Items	28
Attestation	31
Disclosure Index	70

## FINANCIAL STATEMENTS

How the 2018 Financial Statements are Structured	32
<b>Declaration and Auditor's Report</b>	
Declaration by the Board Chair and Accountable Officers	33
Independent Auditor's Report	34
<b>Financial Statements</b>	
Comprehensive Operating Statement	36
Balance Sheet	37
Cash Flow Statement	38
Statement of Changes in Equity	39
<b>Notes to the Financial Statements</b>	
<b>1. About this Report</b>	40
The basis on which the financial statements have been prepared and compliance with reporting regulations	
<b>2. Funding Delivery of Our Services</b>	41
Revenue recognised from taxes, grants, sales of goods and services and other sources	
<b>3. The Cost of Delivering Services</b>	43
Operating expenses of FCRM	
<b>4. Key Assets Available to Support Service Delivery</b>	45
Infrastructure and other assets utilised in fulfilling objectives	
<b>5. Other Assets and Liabilities</b>	48
Working capital balances, and other key assets and liabilities	
<b>6. How We Financed Our Operations</b>	51
Borrowings, cash flow information, leases and assets pledged as security	
<b>7. Risks, Contingencies and Valuation Judgements</b>	55
Financial risk management, contingent assets and liabilities as well as fair value determination	
<b>8. Other Disclosures</b>	63

# Chair's Report



## Welcome to the Falls Creek Alpine Resort Management Board Annual Report for 2018.

This has been a year of change and refresh.

The Minister for Energy, Environment and Climate Change, the Hon Lily D'Ambrosio MP, announced new Boards and a new structure for Victorian alpine resorts effective from 30 March 2018. The new structure provides for three unique members along with four common members; the common members being common to the boards of Falls Creek, Mt Buller & Mt Stirling and Mt Hotham. This model was designed to deliver improved coordination and provide better strategic planning and oversight across the northern alpine resort boards. I was fortunate to be invited to be the Chair of the Falls Creek Alpine Resort Management Board, along with Lindy Allen as my Deputy and Jason Alexandra as the third unique Board member. We are joined by our four common board members, Michelle Croughan, Sue Lebish, Helen Moran and Peter Valerio. We appreciate the considerable work undertaken in the first quarter of 2018, with a Board that comprised Sue (as Chair), Lindy, Jason and Anne-Marie Tenni.

I thank all Board members, retiring, continuing and new, for their service over the twelve month period.

Our Board manages the Falls Creek Alpine Resort on behalf of the State of Victoria, for all Victorians. This responsibility forms the basis of our decision making. We want to ensure that future generations have the opportunity to share our unique alpine environment.

During the year, the Board and our community have responded to the challenges presented by climate change. We continue to implement programs to enhance infrastructure resilience, assess the application of alternative

energy solutions and reduce landfill that is relocated from the resort. We are also active contributors to the development of the next Alpine Resorts Strategic Plan; a project that will represent our plan to adapt to a changing climate. This project will continue into 2019.

Climate change adaptation and the governance of Victorian alpine resorts have continued to be priorities for the Victorian Government in 2018. To this end, in March 2018 the Minister released a Ministerial Direction to the Alpine Resorts Co-ordinating Council (ARCC) and the alpine resort Boards to improve long term sustainability of our alpine areas. In addition to our climate change adaptation work above, we have continued to implement our strategies to grow visitation in both the snow and green seasons. These strategies are put into effect through a range of initiatives such as conducting events in periods of low visitation, increasing the green season product offer, improving the visitor experience, expanding our arts and culture assets, promoting our resort all year round and releasing land to meet our resort's changing needs.

Throughout the year, the Board has also focused on working more closely with the Falls Creek community and in listening to a range of views. With this refreshed approach we have introduced a new key stakeholder session in our Board meetings, to enable all Board members to hear directly from key representatives and consider their contributions on strategic matters. We have also trialled some new methods of engaging with community members affected by the decisions we make. We have invited affected parties to attend our meetings to express their views directly. We have sought community input prior to adopting applicable policies. We have hosted engagement sessions to provide opportunity for input into a major re-development at the entrance to our village. We will continue to refine our approaches to improve our understanding of our community's needs.

We have continued to address our long-term financial sustainability challenges. Through active management by our staff, with oversight by the Board's Finance, Risk and Audit Committee, improved financial reporting and fiscal management has assisted in improving our financial performance. Our Board is very pleased to report a positive underlying surplus for the year, a significant improvement on previous years. We will continue to advance our long-term financial planning to ensure we are appropriately positioned to respond to variable financial conditions.

I would like to thank and acknowledge the contribution of our employees, Stuart Smythe, our CEO, and the entire Falls Creek Resort Management team, who have worked very hard over the year to deliver on the targets and initiatives set out in our Corporate Plan.

I thank the Victorian Government for its support during the year and to the guidance and direction received from the Department of Environment, Land, Water and Planning.

I also wish to thank the ARCC under the Chairmanship of firstly Mr Bill Jaboor and from 30 March, Ms Arianne Rose, and the ARCC team.

I would like to recognise the contribution and passion of our Falls Creek community, who contribute to making Falls Creek a great place to live, work and play. This community includes our local residents, skiers, business operators, employees, walkers, mountain bike riders, Falls Creek Ski Lifts, Falls Creek Alpine Association, ski clubs, property owners, the Alpine Shire, Tourism North East, our Traditional Owners, and those with a connection to Falls Creek.

Congratulations to the whole Falls Creek community for our resort's success at the 2018 RACV Victorian Tourism Awards, winning Gold in the Major Tourist Attractions category. Awards such as this recognise the outstanding commitment of all who contribute to an amazing alpine experience for everyone, in both the snow season and the green season.

On behalf of the Board, I thank you for making everything you do for Falls Creek, making it a community that we can all connect with.

**JO SHANNON**  
*Board Chair*



# CEO's Report



**Falls Creek Alpine Resort is the sum of its parts. Where the collective efforts of many contribute to the fullness and richness of its character and delivers the unique experience our guests and users value.**

Resort Management, in its role as land manager has a diverse role to play in shaping how this character evolves and how that manifests into the experiences that our growing community shares with resort guests and users.

Central to this is the Board. It is tasked with the functions to plan for the development, promotion, management and use of the resort, whilst delivering an array of services and doing this in a manner which is environmentally sound and responsible.

The overall custodianship of the resort sits across many interests, where the successful management of its constituent parts requires the Board and management to meaningfully engage and collaborate. In doing so, this assists in ensuring that the collective vision of the resort encompasses its unique history, its authentic present and its aspirational future.

Underwritten by these collective efforts, the Board and management can then execute its functions and build a destination that will be vibrant and sustainable well into the decades ahead.

In November 2018, the resort was recognised for its seamless and unified approach to delivering a world class all seasons alpine resort by winning a prestigious tourism award. The resort was nominated in the Major Tourism Category at the RACV Tourism Awards. The awards are the penultimate recognition of tourism operators across the state. After being awarded Bronze in 2017, Falls Creek Alpine Resort this year received

the Gold in the Major Tourist Attraction category, the highest accolade of the evening.

The award is an honour for the entire resort, all its stakeholders, its community and our guests and users. The hard work and resilience of stakeholders, too many to mention here, is summed up in this achievement and the recognition given by industry peers and an expert panel of judges.

In early 2018, following new Board appointments and Ministerial Directions, considerable work was applied to planning for the future and ensuring the resort continues to exceed the expectations of our stakeholders, whilst similarly aligning with broader industry goals in tackling the challenges of climate change, striving for operational efficiencies and decision making transparency.

To assist the Board in meeting their commitment to the Ministerial Directions, there has been extensive consultation with users, our community and stakeholders. Forums have been undertaken in relation to alpine sustainability and adaptation to climate change, business services and stakeholder engagement reviews. In addition, there has been continued participation by interested parties in the strategic stakeholder groups for green season activation, and assistance from the community in setting the expectations and desirable outcomes from the potential redevelopment of the accommodation transfer service building and surrounding land parcel.

Resort management have worked with the Victorian based alpine resorts, regional

partners, local shires, agencies, state and federal departments on key strategic initiatives to future proof the resort and plan for future development that will assist the resort amid an increasingly dynamic outlook for the industry.

The executive leadership team at resort management participated across numerous regional programs including a range of Boards, steering committees, agencies, and working groups ensuring participation across the region and incorporation of the region's objectives in decision making at the resort.

Resort management are members of the Tourism North East Board, the North East Cycling Optimisation and Ride High Country steering committees, Hume Regional Growth and Change forum, North East Aboriginal Cross Agency Network, the Bogong Outdoor Education Board, the North East Waste and Recovery Resources group, numerous emergency services agencies as well as active members within the community and region across a variety different interest groups.

The four new Board members appointed in March 2018, have worked hard to understand and comprehend the priority issues for the industry and particularly the resort, working with management via committee structures to ensure quality governance in relation to decision making, stakeholder engagement and a current focus on both the Alpine industry strategic plan, and the resort specific Strategic Management Plan. Both these documents will be priorities through 2019, as they form the basis of the resort's



strategic intent, investment priorities and industry collaboration.

Divisional summaries and activities undertaken throughout the year can be found on pages 12 to 19. Priority focus for the management team has been across asset management, environmental management, enhancing the visitor experience and the continued expansion of summer activation and events.

Management are particularly grateful for the support of our mountain stakeholders; the Falls Creek Chamber of Commerce, the Falls Creek Alpine Association, various Strategic Stakeholder Forums, the Falls Creek Ski Lift Company, the Falls Creek

Historical Society, Tourism North East, all the Victorian Alpine resorts, the Alpine Shire, the Alpine Resorts Co-ordinating Council, Parks Victoria, Regional Development Victoria and the key Emergency Service agencies. The collaboration and assistance throughout the year has been essential in ensuring Falls Creek is the best it can be.

In closing, I would like to thank the Board for their contribution. Their commitment to the workload and willing engagement, together with a true passion for the resort and industry is a major asset. With four new members, the intensity of both striving to deliver on Ministerial Directions and setting the priorities for the resort have consumed much of their

focus and assured the resort continues to deliver for all its users, community and stakeholders.

The resort management staff have settled into a cohesive and engaged team after several years of rebuilding. The calibre of individuals, their dedication, enthusiasm and professionalism will ensure the resort continues to be a destination of choice to pursue adventure, create life long memories and experience the amazing Australian alpine environment for generations to come.

**STUART SMYTHE**  
CEO



# Resort Profile



## About Falls Creek

Falls Creek is a major tourist destination in North East Victoria. The resort is set at altitude ranging from 1,210 to 1,850 metres and is surrounded by the Alpine National Park. Falls Creek uniquely benefits from its hydroelectric heritage. In particular, the Rocky Valley Lake and 65km of aqueduct trails supports the resort’s water supply, snow making capabilities and activity base.

Falls Creek contributes significantly to the economy of the region. The resort generates significant seasonal employment, particularly in the nearby towns, and provides recreational opportunities and environmental values to both the local and wider community. At the same time, the resort proudly maintains a vibrant but small permanent community that uniquely maintains a year round primary school and a fully accredited child care centre.

The Falls Creek Alpine Resort Management Board was established under the Alpine Resorts (Management) Act 1997. The Board operates under its registered business trading name of Falls Creek Resort Management (FCRM). The responsible Minister during the 2018 reporting year was the Hon Lily D’Ambrosio MP, Minister for Energy, Environment and Climate Change.

While responsibilities include elements similar to a local government authority such as planning and the provision of infrastructure services, FCRM also has a responsibility for Crown Land management, destination marketing of the resort, and resort promotion. It is expected to commercially manage the leases of public land in the best interests of the people of Victoria.

FCRM is an organisation with assets comprising Crown Land, public utilities, and infrastructure assets. Annual recurrent revenues are approximately \$12 million. Expenditure is primarily directed to visitor services, infrastructure services including roads, water, sewerage, waste management, winter operations (ski patrol, cross country skiing and snow clearing), and resort promotion.

## Alpine Resorts Strategic Plan 2012

In December 2012, the Victorian Government released its new framework for the development, promotion, management and use of Victorian alpine resorts. The vision for the alpine resorts is:

“Victoria’s alpine resorts will be vibrant, growing and sustainable places, delivering alpine recreational and tourism experiences that are available to all”.

The plan outlines six strategic objectives:

The plan also provides specific actions to be undertaken to deliver on the strategic objectives.

Following an independent review of the current Alpine Resorts Strategic Plan (ARSP), a new ARSP is being developed by the Alpine Resorts Co-ordinating Council (ARCC) in collaboration with all the Victorian alpine resort management boards and a broad range of stakeholders. The new ARSP is scheduled for release in 2019.

- Strategic Objective 1:**  
Enhancing the visitor experience and developing resorts
- Strategic Objective 2:**  
Delivering resort services and infrastructure efficiently and accountably
- Strategic Objective 3:**  
Building partnerships
- Strategic Objective 4:**  
Respecting the alpine environment
- Strategic Objective 5:**  
Broadening access opportunities
- Strategic Objective 6:**  
Regulatory reform

## Delivery of Government Strategic Objectives

FCRM’s Strategic Management Plan (“A Pathway to the Future”), outlines the strategic vision for Falls Creek supported by the overarching Alpine Resorts Strategic Plan 2012. It also details initiatives to be implemented to deliver on the Government’s vision and strategic objectives.

Development of a new FCRM Strategic Management Plan has begun with a facilitated strategy session late in 2018, and will be informed by the new ARSP.

The Board’s annual Corporate Plan details three years of key initiatives and actions flowing from both the Alpine Resorts Strategic Plan 2012 and the Strategic Management Plan, and the resources required to deliver thereon.

The Falls Creek Master Plan is supported by this Strategic Management Plan. It includes a ten year vision and associated asset management/renewal plan.





# Vision, Mission and Principles

## Strategic Vision

Within the context of the Alpine Resorts Strategic Plan 2012, the Board has defined the vision for Falls Creek as: A vibrant and distinctive village offering Australia's most memorable alpine experiences.

## Mission

The mission for all resort management staff is to see Falls Creek recognised as being "an unparalleled, unique and world class all seasons alpine resort, renowned for being Australia's premier leisure, lifestyle and adventure destination."

## Guiding Principles

To achieve this mission, our guiding principles, formulated through collaboration across the workforce, and embedded into all facets of the organisation, are:

- **Exceed Expectations:** By using integrity, applying commitment and engaging with our users, the community and our staff, we will endeavour to excel.
- **Create Fun, Adventure and Lifelong Memories:** By inspiring people to embrace an active outdoor lifestyle.
- **Enacting Stewardship:** Is about being accountable to our stakeholders, acting

as custodians for our environment and planning for its sustainability, we are then able to facilitate and build prosperity for the local and regional community.

- **Dedicated and Passionate:** We live, breathe, use and thoroughly appreciate the responsibility entrusted to us in managing the unique assets of the resort and surrounding high plains.
- **Strive for Value:** Through ensuring operational efficiencies are optimised, infrastructure and services can be delivered that will enhance any activity, ultimately offering exceptional value and an outstanding mountain resort experience to all users.



# Year at a glance

## Financial Position

The 2018 financial year recorded a comprehensive surplus of \$176,435 which was an improvement of more than \$1m on the previous year. The strong result was built on a healthy operating surplus of \$2.3m and strong cash inflows of \$2.1m from operating activities following continued excellent resort visitation and cost containment. The operating surplus was \$14k above the 2018 budget, while the comprehensive surplus was \$0.1m below budget due to depreciation and amortisation charges being \$0.1m higher than expected.

Operating revenue grew strongly to \$12.3m, which was \$0.8m higher than budget and \$1m more than total 2017 revenue:

- visitor fee income (mainly resort entry fees) rose by \$0.56m to \$4.51m due to continued strong visitation;
- site rental revenue fell by \$59k (3.5%) to \$1.61m from some lower site valuations within the valuation cycle;
- service charge income rose by \$0.59m to \$4.72m, due to increased capital ingoings from site redevelopments;
- government contributions fell by \$0.1m to \$0.25m and comprised mostly of child care centre subsidies, grants, rebates and benefits (\$0.2m); and
- other income grew marginally by \$53k to \$1.24m, with the main higher variances in

co-operative marketing revenue and insurance recoveries being partially offset by lower property and leasing fee income and sponsorship revenue.

Operating expenditure rose to \$10m, a \$0.33m (3.4%) increase on 2017. The main variances were due to:

- increased operational costs in managing the very large 2018 snow season which directly impacted expenditure on transport, road clearing and grooming services;
- additional events held and the higher promotional, set-up and operational expenses in the formative years of these new events;
- additional recycling compliance costs;
- higher utility tariffs, particularly electricity, prior to tenders for new electricity contracts to commence in 2019;
- increased maintenance costs from more intensive infrastructure, plant and equipment utilisation during the extensive 2018 snow season;
- expanded bike patrol and coverage of long-term WorkCover absence; and
- additional pass through costs and on-charges.

Depreciation and amortisation charges of \$2.1m comprised the bulk of the non-operating items and increased by \$44k over 2017 due to additional assets capitalised during 2018. Interest expense on the 10 year TCV loan decreased by \$7k to \$35k as the

loan is paid down. A small gain of less than \$1k was made on the disposal of obsolete and surplus assets.

FCRM's financial position and net assets remain healthy and provide a sound and solid platform for future operations:

- 2018 continued the cash consolidation following the extensive capital works program over the 2013-2016 period, with a \$1m increase in year-end cash balances to \$1.7m;
- capital works projects included upgrades to waste water treatment plant systems, Eagle Chair power supply, Village Bowl utility services, building fixtures, lighting, stormwater and water supply infrastructure; signage; oversnow vehicles and equipment; public sculpture installations; ICT and OH&S equipment; and other minor capital items;
- a focus on revenue protection and tight cost control resulted in robust net cash inflows from operating activities of \$2.1m;
- total assets increased marginally by \$53k to \$91.3m, which is a sound asset base for the organisation's continuing operations and activities; and
- total liabilities decreased by \$123k to \$2.6m, primarily from a \$173k drop in total borrowings. Liabilities are a low 2.9% of the total asset base of \$91.3m.

The table on the adjacent page 11 illustrates the resort's financial performance and position for the past five years.



## Five year financial summary

	2018	2017	2016 <sup>^</sup>	2015	2014
Visitor fee income	4,506,227	3,950,613	3,638,581	3,031,377	3,182,019
Site rental	1,607,920	1,666,650	1,860,978	1,680,338	1,676,083
Service charges	4,718,573	4,124,507	4,473,546	3,683,205	3,497,363
Government contributions	245,513	349,041	1,142,244	1,208,050	314,215
Other income	1,239,609	1,186,718	1,187,767	934,267	2,253,692
Total revenue	12,317,842	11,277,529	12,303,116	10,537,237	10,923,372
Operating expenditure *	9,999,552	9,669,774	10,910,232	9,075,034	7,791,254
Operating surplus/(deficit) before depreciation and amortisation, interest expenses and other economic flows	2,318,290	1,607,755	1,392,884	1,462,203	3,132,118
Non-operating transactions	2,141,855	2,457,581	5,867,192	2,375,801	2,273,129
Total expenditure and other economic flows	12,141,407	12,127,355	16,777,424	11,450,835	10,064,383
Comprehensive result	176,435	(849,826)	(4,474,308)	(913,598)	858,989
Cash inflows from operating activities	2,091,631	1,171,964	1,825,827	479,937	2,895,186
Total assets	91,316,488	91,263,346	92,463,394	96,118,074	97,316,705
Liabilities	2,639,078	2,762,371	3,212,593	2,807,965	3,222,998
<b>Net assets</b>	<b>88,677,410</b>	<b>88,500,975</b>	<b>89,250,801</b>	<b>93,310,109</b>	<b>94,093,707</b>

<sup>^</sup> 2016 figures are for 14 months due to the change of financial year end to 31 December, whereas the comparative years are 12 months.

\* Operating expenditure excludes financing charges and depreciation/amortisation, and therefore differs from total expenses from transactions on page 36 of the financial statements.



# Enhancing the Visitor Experience and Building Partnerships



## Gold Winner 2018 RACV VICTORIAN TOURISM AWARDS

### Falls Creek continues to increase visitation on an all season basis.

Summer 2017-18 visitors increased 3.5% to the previous year with 97,493 visitors and 175,487 visitor days.

#### 2018 Significant Achievements

- **GOLD WINNER** – RACV Tourism Awards 2018 in the Major Tourism Destination category;
- A **13% increase** on the 10-year winter visitor average and **22%** on visitor days;
- Events hosting with an **estimated economic impact of \$5 million and 450 jobs**;
- Astra Lodge – 3rd year – **Australia's Best Ski Boutique Hotel 2018**;
- Raised over **\$17,000** for the **Leukaemia Foundation** since 2014, **\$10,000** for **Motor Neurone Disease** since 2016 and **\$20,000** for the Farmers Drought relief fund '**Parma for a farmer**';
- Continue to host the largest southern hemisphere cross country ski event, the **Kangaroo Hoppet**, with over 1,000 participants, including **24% from 23 international nations**;
- Positioning of Falls Creek Mountain Bike (MTB) Park as the most appealing element of the current High Country mountain bike offer;
- Hosted the International MTB event Crankworx for a site inspection for a future event location;
- Year on year increase in business operators open all year round;
- Hosted 2 rounds of the Mountain Bike Australia (MTBA) **Gravity Enduro National Series**;
- Largest McKayos participation, a year on year increase of over **200%**;
- **22%** year on year increase on MTB shuttles.
- Falls Creek Resort has a Certificate of Excellence and **4.5-star rating** on TripAdvisor; and

- Introduction of roaming Guest Services volunteers at key visitor arrival nodes.

#### Events

The resort continues to expand its annual calendar in collaboration with experienced event organisers. A further **\$5.5 million** worth of potential events are currently in the pipeline.

November to April is the key green season visitation periods and June to September, the winter season. May and October are the lowest periods. The annual event calendar currently consists of:

##### January

- Kids Club – daily
- Dash for Cash
- Falls to Hotham crossing shuttle
- Dragon Boats Regatta
- MTB de femme, **60%** year on year increase
- Curated Bushwalks
- **NEW** - Lake Activation

##### February

- **NEW** - XCO

##### March

- Peaks Challenge
- Junior Peaks
- Regional Longest Lunch – year on year growth

##### April

- Easter
- MTBA Gravity Enduro Round

##### May

- High Country Harvest Bonfire

##### June

- Ice Plunge
- Opening weekend

##### July

- FCSL hosted snow related events

##### August

- Kangaroo Hoppet
- Sled Dogs

##### September

- Light the Night

##### October

- McKayos

##### November

- Ignition - Mountain Bike Park Opening **50%** year on year increase
- Falls Creek Alpine Challenge
- MTBA GE Gravity Enduro
- Altitude Training camps

##### December

- Carols by candlelight
- **NEW** – New Year's Eve celebrations.

#### Destination Marketing

Resort Management continue to drive destination marketing for the resort on an all season basis in line with the Marketing Strategy 2017-2019. The objective is to support tourism and economic development and improve the visitor experience. An update of the Falls Creek Marketing Strategy will be informed by the Alpine Resorts Co-ordinating Council's next 5-year strategic plan scheduled for release during 2019.

#### Partnerships

Key partnerships and collaborations are a key element of the resort's continued development, success and visitation increase:

- AGL
- Albury City Council
- Alpine Shire
- Blue Dirt
- **NEW** - Dirt Diva's
- Disabled Winter Sports (DWA)
- Falls Creek Ski Lifts (FCSL)

- Falls Creek Chamber of Commerce & Stakeholders
- Falls Creek Alpine Association
- Falls Cycle Club
- Falls Creek Historical Society
- Melbourne Track Club
- Mountain Bike Australia
- North East Victoria Cycling Optimisation Project (NEVCO)
- Park Victoria
- **NEW** – Protect our Winters
- **NEW** – BMW Australia
- Ski & Snowboard Australia
- Specialized Bikes
- Tourism North East

## Emerging Markets

**Mountain biking** – The resorts unique offer is supported by trails built by world leader World Trail; shuttles by industry leader Blue Dirt; Bike Patrol; and ride in / ride out access suitable for all riders' abilities. A stand out is a green trail from the top of the mountain to the lake foreshore.

The resort is working collaboratively with Disabled Wintersport Australia (DWA) on trails suitable for adaptive mountain biking along with other nature-based activities.

**Altitude training** – The resort continues to be an attractive option for athletes, particularly in the lead up to the 2018 Gold Coast Commonwealth Games, with English athletes Charlie Grice and Kyle Langford attending a camp. UFC middleweight world champion Robert Whittaker also chose the

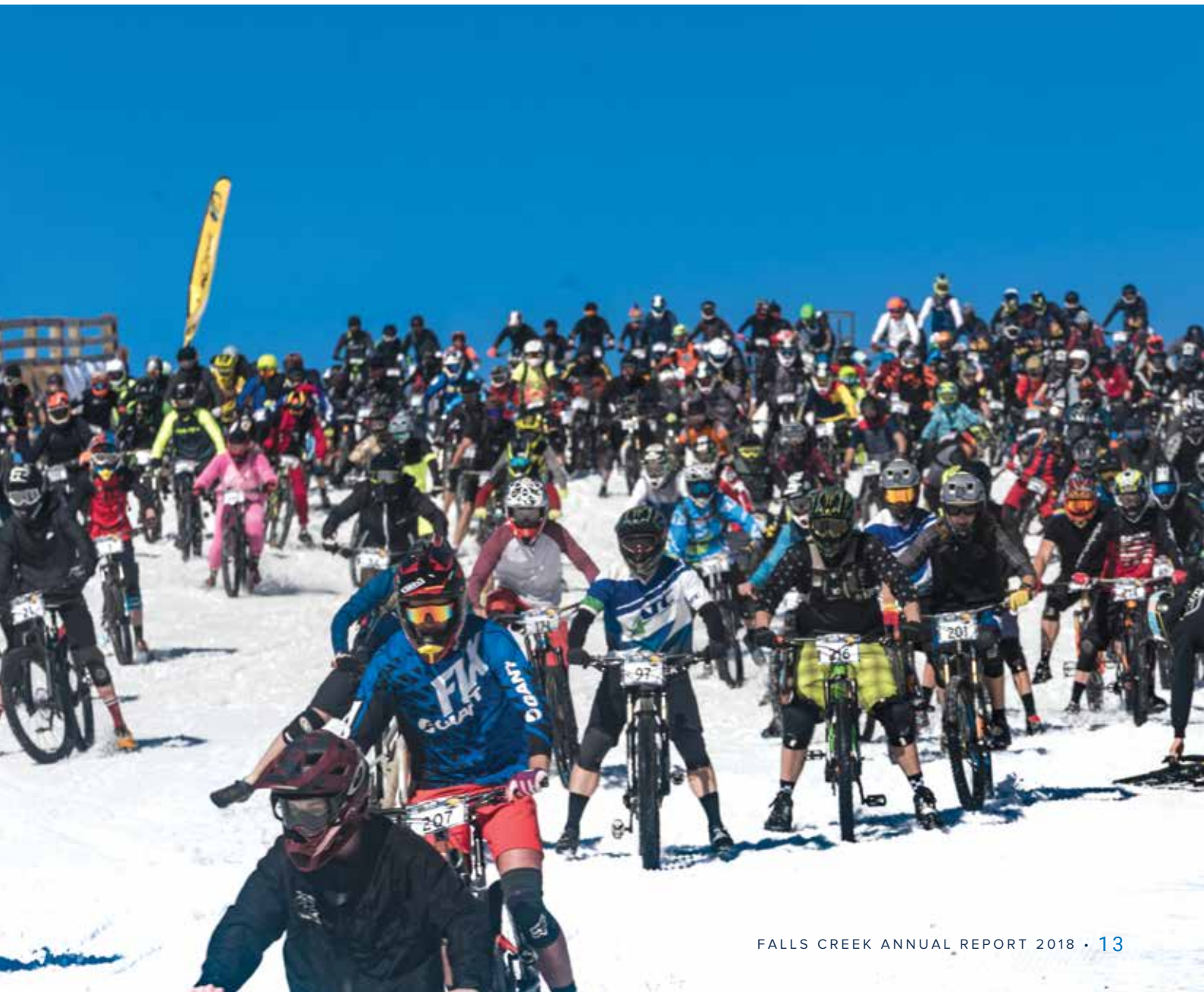
resort as his training base. The development of the Nordic Bowl, which is shovel ready, will further support this market.

**Car / motorbike touring** – This continues to see organic anecdotal growth year on year.

**Snowplay** – With the increase in new 'Melburnian' visitors, Resort Management is collaborating with FCSL to ensure a holistic snowplay offer is available for non-skiers/ boarders to create 'snow visitors' for life.

**Water sports** – Building on the success from the 2017-18 summer, Rocky Valley Lake activities were activated during the key summer holiday period.

**Hiking** – Falls to Hotham Crossing. The finalisation of the Master Plan will see the enhancement of this offering from a facility and branding perspective. With the trail head proposed at Rocky Valley Lake, new activation opportunities will become available.



# Developing the Resort and Broadening Access Opportunities

**FCARMB has continued to work proactively to develop and refurbish the resort to ensure it remains a contemporary premier tourist destination.**

Through the progression of new leases, lease renewals and strategic resort developments, FCARMB has implemented the Alpine Resorts Leasing Policy in accordance with the goals and objectives in the:

- Alpine Resorts Strategic Plan 2012;
- Falls Creek Strategic Plan 2013 – A Pathway to the Future; and,
- Falls Creek Master Plan 2016.

## Strengthening Our Summer Market

Falls Creek strengthened the non-winter market through further investment in summer infrastructure and promotional partnerships that provide broader exposure to Victoria's alpine landscape.

On-going activation of mountain bike and walking trails provided key non-winter infrastructure assets that drove significant tourism at Falls Creek during the steadily increasing summer market. Year-on-year market growth of the Falls Creek Bike Hub continued to provide a social and programme centre for all cycling activities in Falls Creek. Combined with an events driven promotional strategy, the Falls Creek mountain bike market share has steadily increased.

Commercial activation of the Rocky Valley Foreshore provided the first genuine sail boat and equipment hire in alpine areas in Australia. Greater facilitation of water-based activities will remain a key point of difference for Falls Creek in the summertime alpine tourism market.

The Falls Creek Primary School, the only year-round alpine resort school in Australia, had 21 students enrolled year-round for 2018. This is a strong indicator that families are choosing Falls Creek as a viable professional and lifestyle community. A limit capacity of 40 students in winter highlighted a significant overflow of families seeking seasonal public education in the resort. Work will continue in 2019 with the Department of Education and Training to look at long-term solutions to ensuring that public education needs are met for all families in the resort. Falls Creek is the only alpine resort that can offer year-round education.

## New Leases and Property Transactions

A strong leasing framework remains a keystone for the progressive development of the village. Appropriate lease negotiation and subsequent development provides the foundation for the village to remain a contemporary guest experience at all times of the year. A continued strong emphasis on environmental performance and the Falls Creek Design and Siting Guidelines ensures all lease renewals are completed to contemporary standards.

Falls Creek has over half (52) of the current leases with more than 30 years until expiry. Of the remaining 43 leases, 15 have over 20 years to run, 7 have between 10 – 20 years, 8 have between 5 – 10 years, 6 have less than 5 years to run and a further 7 leases are undertaking scheduled works to meet the conditions of Agreement to Leases that, once complete, will secure new long-term leases for the site. All new leases granted at Falls Creek in 2018 have been in accordance with the Alpine Resorts Leasing Policy, statutory planning provisions and Board policies and strategies.

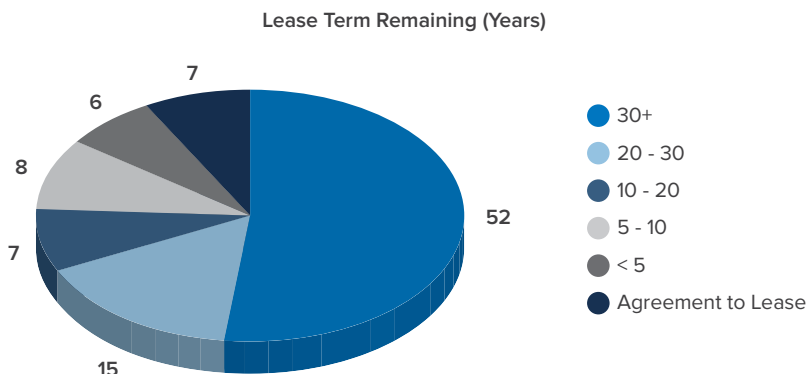
Through public workshops and information sessions, FCARMB has been engaged with all lessees with less than 10 years to run on their lease to ensure that the process for lease renewal runs smoothly.

Developments have continued on various sites throughout the village as lessees undertake refurbishment and upgrade requirements for leases or lease obligations that have been issued over the previous five years. Refurbishments and upgrades totalling more than \$10m were undertaken by several key sites in the village in 2018.

FCARMB has worked with lessees to ensure that all scheduled obligations are met in accordance with leases, the Building Code of Australia and planning permits issued under the Alpine Resorts Planning Scheme.

There has continued to be steady property movement throughout the previous year in Falls Creek. Property sale transactions were strong in 2018 with 37 commercial transactions consented by the Board representing over \$12m of invested capital. The 37 property transactions comprised 2 head leases and 35 subleases.

Figure 1: Remaining Crown Lease Terms



An analysis of property sales in the resort over the last 18 years indicates a strong market recovery following two key macro-drivers: Global Financial Crisis (2008) and the Helmsman Sale (2011) that drove down industry real estate values.

In 2018, the assessment of fair value by the Office of the Victorian Surveyor General valued the village leasehold sites at \$27,690,369 with the balance of the resort valued at \$10,397,000. The improved value of the resort, excluding publically owned assets, was valued at \$ 246,140,000 in 2018. Land valuations were undertaken on 26 leased sites as per lease requirements. The combined land value of these sites represented a \$34,988 reduction in overall land values in the resort.

### Statutory Compliance

In accordance with Section 192 (1) of the *Building Act 1993*, FCARMB ensures compliance with all Building Code of

Australia requirements at Falls Creek Alpine Resort. Annual scheduled inspections are conducted throughout all buildings in the village to ensure compliance with all relevant standards. FCARMB worked closely with resort operators to comply with new pool and spa fencing regulations. Resort Management also worked with the Victorian Building Authority Cladding Taskforce on identifying and assessing exterior cladding on public buildings for unsafe materials.

All environmental health requirements for the resort encompassed in the *Food Act 1984* and the *Health Act 1958* are met by FCARMB through a services contract with the Indigo Shire. Inspections of 45 food premises, 49 accommodation facilities, 1 premise selling tobacco and 4 health premises were conducted during the season. Educational components were included in these visits where needed in the areas of tobacco reform and aquatic facility maintenance. Due to the seasonal changes in staff, environmental

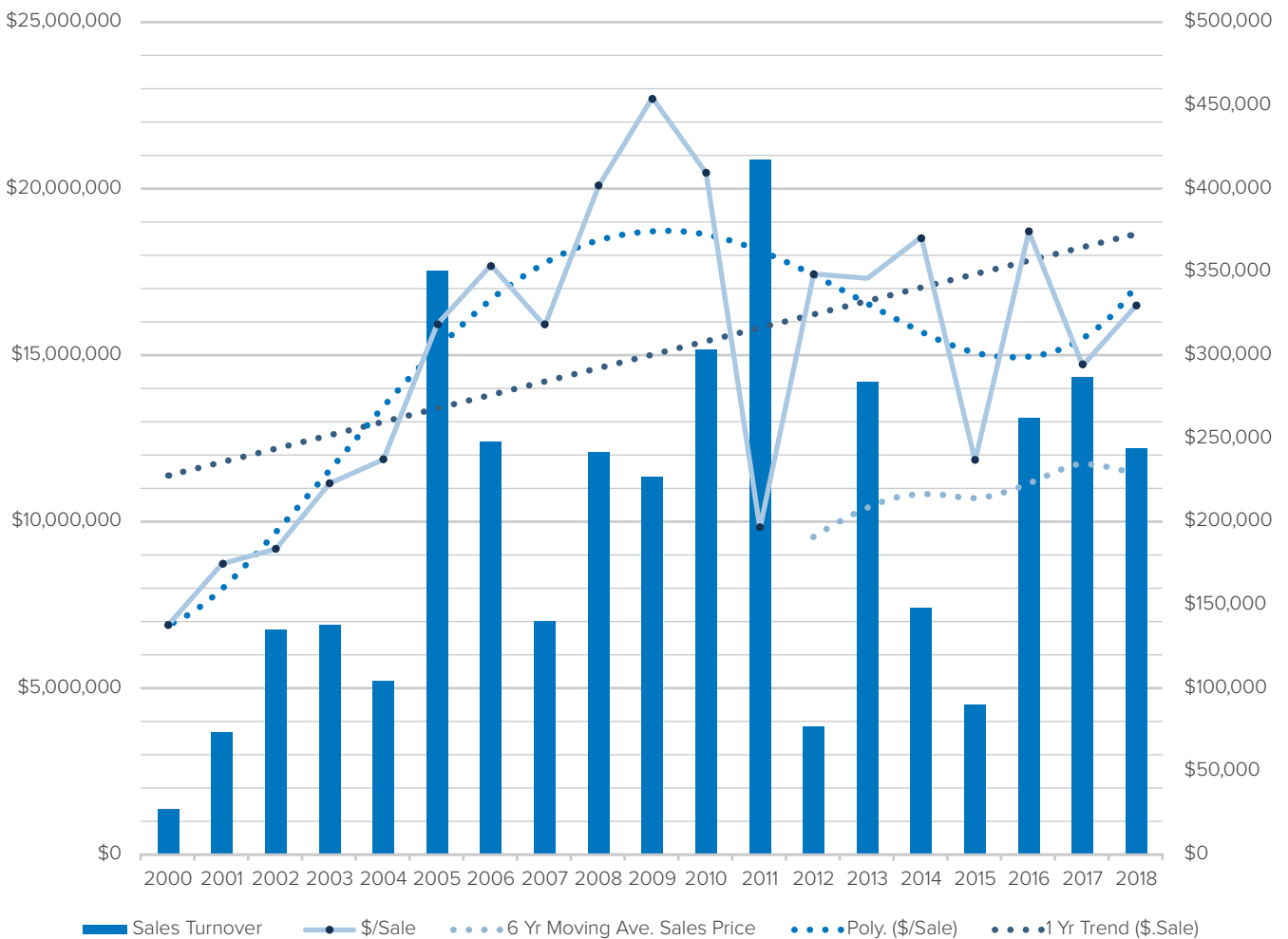
health efforts were focussed on an educational approach to inspections, ensuring new staff were aware of statutory responsibilities. All sites complied with all statutory requirements.

### Commercial Vibrancy

Short-term authorities and street trading permits were issued in 2018 to provide commercial vibrancy and diversity in guest offerings throughout the resort. Street trading augmented lease-based trading in key nodes during the winter and non-winter periods. Pop-up stalls and mobile vendors provided commercial food and beverage for remote events.

Summer trading continued to be a strong point of industry difference for Falls Creek with a genuinely viable summer season that offers commercial opportunities for resort stakeholders. FCARMB will pursue further growth in the summer market to create greater commercial vibrancy.

Figure 2: Falls Creek Property Sales



# Delivering Resort Services and Infrastructure

The Infrastructure and Mountain Response Group has the primary role within Falls Creek Alpine Resort for the provision of essential services, infrastructure and emergency management functions enabling the Falls Creek village and broader resort to operate in a safe, reliable and contemporary capacity.

Throughout the year these services include the provision and management of potable water, waste water treatment, waste collection, roads and car parks, stormwater systems, public buildings, public spaces, emergency management and geotechnical risk mitigation. During the declared snow season, key services extend to include village transport, accommodation transfer services, freight services, car parking, snow clearing, village roads snow management, ski patrol and cross-country trail grooming.

Many responsibilities of the resort are similar to those of a municipality with the primary focus of work in the non-winter period being the maintenance of assets and key infrastructure. In addition, capital works efforts are concentrated during this period and are of critical importance to ensure priority asset renewal, replacement and re-investment programs are delivered for the resort.

## Asset Management

This year saw Resort Management invest substantial energy into the improvement of the asset management program, including enhancement of the existing asset information database, development of detailed asset management plans and comprehensive roll out of preventative maintenance programs for the existing asset base.

This work will place Falls Creek in a strong position for future investment planning and the modernisation of management techniques will greatly assist the work effort effectiveness.

## Capital Works Program

The capital investment program for 2018 focussed on addressing high priority asset renewal and enabling works for the Eagle Chair replacement project executed by

Falls Creek Ski Lifts. Key highlights of this program included:

- upgrade and relocation of Village Bowl water and sewer mains;
- installation of new electrical substation at Eagle Chair and upgrade of power supply to Ski Patrol base;
- upgrade of stormwater systems;
- upgrade of key waste water treatment components;
- replacement of degraded winter equipment; and
- water supply security feasibility investigations.

## Winter Operations

The past winter was characterised by generally cold conditions and consistent snowfall. This resulted in an excellent snowpack from very early in the declared snow season, right through until closing weekend.

Natural snow accumulation began on 13th June, 4 days after season opening, with an 83cm storm over the following 4 days. Other significant snowfall then occurred as follows:

- 31cm (22nd July)
- 32cm (1st August)
- 70cm (9th August)
- 31cm (13th August)
- 52cm (22nd August)

These snow events resulted in natural snow depths peaking on 22nd August at 217cm, equal to the 2017 peak and the 6th highest total since records began in the early 1980s. Additionally, the cold conditions and excellent

start to the season ensured the average depth was the 4th highest on record.

Interestingly, the pattern of snowfall in recent times at Falls Creek has moved towards large storm-based accumulation, away from historical patterns which have been based on more frequent smaller snow events. This has implications for machinery and resourcing given the scale of these storms.

Falls Creek's renowned snowpack reliability ensured the exceptional winter was maintained through to the end of the season on 7th October.

Resort Management again worked collaboratively with Parks Victoria to provide high quality groomed cross-country trails for a significant portion of the snow season. The consistent snowfall provided excellent grooming opportunities with trail conditions amongst the best in recent times. For most of the season, 50km+ of groomed trails were provided throughout the resort and adjacent Alpine National Park, at one point including grooming all the way out to Cope Hut.

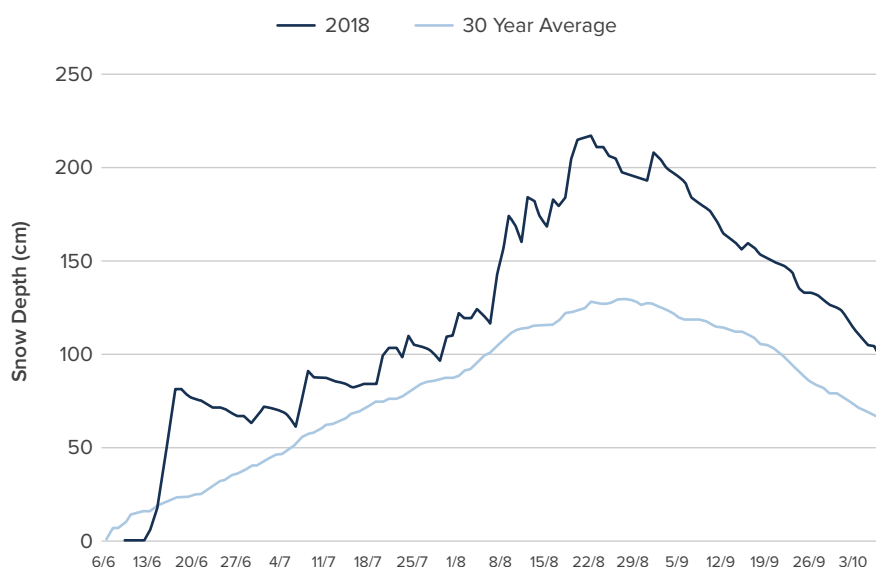
Participation in cross-country skiing at the resort remained strong again in 2018 peaking around Kangaroo Hoppet event weekend toward the end of August.

## Road Access

Maintaining a safe and user-friendly village road network to ensure reliable commercial operation of the resort and critical emergency services access is one of Resort Management's primary responsibilities.

As a ski-in/ski-out village, Falls Creek offers a unique experience for snow enthusiasts.

Figure 3: Falls Creek Snow Depths 2018





Throughout 2018 there was a renewed focus on the delivery of safe and consistent village roads with additional machinery time allocated to enhance the visitor experience at the resort.

This winter season, the village roads were closed to wheeled vehicle access for a total of 106 days, the highest number of days ever recorded at Falls Creek.

As experienced in 2017, chains were required on 4WD vehicles on the Bogong High Plains Road during the snow season on one occasion during the 2018 season, highlighting the impact of large snowfalls on this primary access road.

The Bogong High Plains Road between Falls Creek and the Omeo Valley is not cleared of snow throughout the season, enabling its use as a key cross-country ski trail. In 2018, the road was closed to vehicles from 11th June until 2nd November due to substantial snow drifts and repair works being undertaken on the road post season.

During the season, Resort Management cleared numerous tree and rockfall events and actively managed the road to support chain fitting operations and critical gas tanker transit during storm events.

## Transport and Car Parking Services

The resort once again offered a range of transport services in 2018, including the Accommodation Transfer Service (ATS), village internal oversnow shuttle, Bogong High Plains road shuttle, car parking service and freight delivery service. All freight services were once again delivered free of charge to all business and commercial lodges, removing many vehicles from the village roads and contributing to an improved village amenity. The ATS operates under a user-pays model with other services provided on a complimentary basis as part of the resort entry fee.

Further improvements were made to ATS and transport operations including ticketing processes, car parking strategies, baggage transfer infrastructure and key arrival signage.

## Ski Patrol

Falls Creek's ski patrol is responsible for safety on the ski slopes and in 2018 they again provided an exceptional public safety service. Patrollers are visible throughout the snow season providing a range of services. In 2018,

the ski patrol consisted of 45 patrollers: 35 paid staff and 10 volunteers. In addition, Falls Creek welcomed two exchange patrollers from Keystone and Squaw Valley USA, continuing our ongoing relationship with these resorts.

The patrol team undertake annual training to ensure their skills are maintained to a high standard. The Australia Ski Patrol Association (ASPA) refresher course was once again conducted at Falls Creek during May 2018. The course included patrol staff from Mount Hotham and was regarded as very successful.

The work of the ski patrol typically starts well before the lifts open with a thorough safety assessment of the ski area. This work includes marking hazards and assessing the safety of ski runs. When the slopes open to the public, the patrol focus on mountain awareness activities to educate guests on safe and social behaviour to ensure the ski area remains a safe and enjoyable experience for all guests.

Large snow seasons, such as 2018, are particularly challenging for ski patrol. Storm events created additional work to reset ropes, markers and signage, and avalanche control work was required to be undertaken in the Ruined Castle area of resort.



# Delivering Resort Services and Infrastructure

The patrol is responsible for attending incidents, minor treatment/assessment in the field and transporting guests to the medical centre. In 2018, the patrol responded to a total of 1,628 incidents which is a 25% increase on the long-term average. This increase can be largely attributed to the increased patronage to the resort over winter, a shift towards beginner and intermediate level skiers and the length of the season due to excellent snow conditions. The Falls Creek ski-field injury rate remains steady at 1.7/1000 skier days which compares very favourably to international rates and is well below the accepted standard of 3.0/1000 skier days.

Falls Creek Ski Patrol continued its focus on backcountry safety and improving the backcountry response of patrollers. The backcountry program included regular assessment of conditions on Mt McKay and provided public access data via the daily snow report.

Despite the snow conditions, Ski Patrol did not have to respond to any extended lost person incidents during the season.

Falls Creek and Mt Hotham Ski Patrols again worked collaboratively with Parks Victoria, Victoria Police, the State Emergency Service and Ambulance Victoria to activate the "advisory alert" system for backcountry skiing enthusiasts. The heightened avalanche risk experienced in the Australian alps this season was evident on numerous occasions.

The Victorian Police Search & Rescue Squad rope rescue training was also conducted at Mt Buller this year with attendance by Falls Creek ski patrol representatives.

## Emergency Management

Resort Management is responsible for developing and maintaining a Municipal Emergency Management Plan (MEMP) that is compliant with the recently revised *Emergency Management Act 2013*. The Falls Creek MEMP Committee met twice during the 2018 period, pre and post winter/fire season: 10th May and 18th October 2018.

Additionally, the Falls Creek MEMP was audited by SES on 4th April 2018 with a compliant result.

Falls Creek prioritises a practical exercise to test the MEMP where activation has not occurred. This year, several exercises were undertaken over winter relating to mass evacuation of village accommodation and a live field exercise to test ski lift evacuation processes.

Resort Management remains committed to responsible and compliant emergency management and works closely with all agencies to ensure this can be achieved.

## Water Supply

Falls Creek enjoys a unique high quality water supply that is compliant with the water quality standards prescribed by the *Safe Drinking Water Act 2003* and *Safe Drinking Water Regulations 2015*. During the year, the resort used a combination of groundwater from the new bore supply and surface water from Rocky Valley Reservoir. The treatment process includes pH buffering and final stage UV disinfection. The quality of supply was maintained at exceptional standards throughout the year.

Testing for water quality compliance is conducted weekly at a range of locations within the system. In 2018, results were fully compliant with all legislative requirements.

The Falls Creek Water Supply Risk Management Plan was audited 14th March 2018 with a compliant result.

The annual consumptive water usage in 2018 was 174 ML compared to 177 ML the previous year.

## Waste Water Management

Another key role for Resort Management is the safe, efficient and compliant treatment and discharge of waste water. The waste water treatment plant operates year-round under a biological nutrient removal aerobic process with treated effluent discharged into the Rocky Valley Creek catchment and activated sludge removed from resort during the summer months. The plant achieves high standards of nitrogen and phosphorus removal. Final deactivation treatment is achieved using high intensity UV light.

Effluent from the plant is subject to an EPA waste discharge licence that specifies limits for a number of parameters, tested monthly. Testing in 2018 indicated the effluent from the plant was fully compliant with the parameters specified in the discharge licence.

Resort Management has now completed an upgrade to the operational risk management plan for the plant and is continuing to improve the reliability of the treatment processes.

In 2018, the total annual discharge was 146 ML compared with 135 ML the previous year.

## Geotechnical Risk Mitigation

Resort Management's geotechnical program is an essential component of managing geotechnical risk in the resort. Most geotechnical works undertaken in 2018 used funds provided through the Department of Environment, Land, Water & Planning (DELWP) Alpine Risk Mitigation Program. This program has enabled Resort Management to design and deliver an ongoing recurrent works program that includes the collection

and analysis of groundwater data and early identification of emerging hazards.

In addition to recurrent works monitoring risk via a network of ground water drains, a range of capital works is undertaken each year. In 2018, these works included the upgrade of degraded stormwater infrastructure, replacement of failed retaining walls, improved access to existing groundwater monitoring bores and the installation of new groundwater monitoring bores.

In 2019, a full village risk analysis will be undertaken to update the geotechnical risk ratings assigned to each area.

## Summer Operations

Visitation to Falls Creek in summer continues to be strong and 2018 was no exception. As a result there has been additional focus to ensure service levels are adequate to meet guest expectations. Increased utilisation of key infrastructure has also restricted access to plant and roads during the summer works program. Careful planning is undertaken to ensure the works program can be completed with minimal disruption.

Management of village and resort parking during peak periods was again required in 2018 to ensure the amenity and safety of the village was maintained.

Falls Creek has a mountain bike trail network designed and built to international standards. This receives extensive use over summer and requires employment of dedicated resources to maintain these standards.

Additionally, over the summer months a select group of ski patrollers are tasked with providing Bike Patrol for the mountain bike park. This greatly enhances user safety and assists in first response to incidents in the park.

# Respecting the Alpine Environment

FCARMB continued to prioritise the protection and enhancement of the alpine environment throughout the 2018 financial year.

## Environmental Management Plan

In December 2017, the Board endorsed the Falls Creek Environmental Management Plan (EMP). 2018 was the initial roll out of the EMP through embedding work practices and administrative procedures in best environmental practice. The EMP is one component of a new Environmental Management System for FCARMB which provides the broader framework for environmental management and is modelled on international standards (ISO 14001:2016). The plan covers aspects relating to biodiversity, water and catchments, waste and resource use, land management, energy and climate change.

Key partnerships with adjacent land managers underpinned landscape scale projects to protect and enhance key biodiversity value on the Bogong High Plains.

## Environmental Programs

FCARMB maintained collaborative work with Parks Victoria to implement a fox baiting control program focussed on reducing predation risk to the Mountain Pygmy Possum and other threatened native species. Feral cats were controlled through multiple targeted shooting sessions over the year, also aiming to reduce the threat of predation. The Mountain Pygmy Possum populations on Mt McKay and surrounding habitat areas continued to be surveyed as part of a long term monitoring program. FCARMB also worked with Parks Victoria to implement camera monitoring for pest animals to help inform and improve the effectiveness of pest control programs.

FCARMB continued to deliver a weed control program across the resort, with a particular focus on protecting high value environmental areas such as alpine peatlands. Strategically the program targeted high risk weeds and dispersal vectors such as roads, bike trails and waterways, with the intention of limiting the risk of weed spread into the surrounding National Park.

Biodiversity Response Planning funding from the state totalling \$87k over the next 3 years was allocated for projects to protect threatened species, focussing on the critically endangered Mountain Pygmy Possum *Burramys parvis*. This will be complemented by Federal funding from the National

Landscapes Program totalling \$1.05m, spread over 5 years across 4 land tenure managers. Protection of our native ecosystems through integrated cross-tenure boundaries remains a core focus for environmental management at Falls Creek.

## Waste Reduction Initiatives

The management of solid waste and the provision of waste services are largely carried out under contract by 4Site Australia. Waste was collected daily during the snow season and twice weekly outside these periods.

FCARMB continued to work collaboratively with the North East Waste & Resource Recovery Group (NEWRRG) partners to deliver best practice waste recovery and recycling through various partnerships and programs.

Following on from previous years, FCARMB actively supports and promotes the Living Bin organic waste recycling program. This year the program successfully diverted 49.5 tonnes of waste from landfill, up from 41.3 tonnes in 2017. More broadly, the resort worked to increase resource recovery rates and the 46% diversion from landfill rate for 2018, which was up from 40% in 2017, has already surpassed the 2020 resort-wide

target of 45%. The quantity of waste to landfill per visitor day remained steady at 0.62kg/visitor day during the winter period.

Two hard waste collections were co-ordinated by FCARMB over the year and changes in collection and sorting processes began to be implemented in an effort to increase the recovery of hard waste materials.

## Research and Education

FCARMB collaborated with peak tertiary institutions to undertake relevant alpine research to enhance understanding of the unique alpine biodiversity.

Key research undertaken has included:

- willow seed dispersal across the resort and Bogong High Plains.
- nutrient surveys on endemic alpine shrubs and grasses.
- morphology of alpine plants adaptation to climate change.

FCARMB again conducted the tertiary and VCE environmental education presentation series for university and secondary students throughout Victoria to promote and foster greater understanding of the complexities of our unique alpine landscape.

**46%**  
**OF TOTAL**  
**WASTE RECYCLED**



**50 TONNES**  
**AMOUNT OF FOOD WASTE**  
**DIVERTED FROM LANDFILL**



# Sustainability and Climate Adaptation

## The Board recognises that climate change will continue to play a key role in resort strategies and operations in the future.

The resort is well positioned to meet the effects of a changing climate and realise new commercial and tourism opportunities with a continued expansion into a year-round tourism destination.

Strengthening winter resilience through increased investment in snow making technology has provided greater commercial security for investors and operators during the strong winter period. Upgrading to TechnoAlpin TF10 Snow Fans and expansion of the automated snow making system continues to increase snow making efficiency through more snow with less energy consumption. Access to the 28,000ML Rocky Valley Dam for snow making provides Falls Creek with the greatest snow making capacity in Australia with over 100ha of man-made snow to augment the natural falls. Combined with the protected southern aspect of the Sun Valley ski area, the protection of the winter snow product for lifted activities will provide resilience to changing snow conditions and

seasonal variability. Continued investment in snow capturing and management infrastructure on the cross-country trails continues to provide enhanced snow experiences for guests seeking alternatives to lifted activities.

Expanding the summer market has been a long-term strategy for the Board through the development of key infrastructure and events that will continue to provide a draw for year-round visitation. The 2017/18 summer continued to see growth in visitation, supported by a pipeline of events. Average growth in summer visitation continues to exceed 15% per annum on a four year rolling basis. The development of 40km of mountain bike trails, funded through the Victorian Government Regional Infrastructure Development Fund, has provided a landscape-based activation of the resort to reduce the long-held commercial reliance on the winter season. Combined with 18 non-winter activity and cultural events, Falls Creek has continued to grow as an alpine destination of choice throughout the year.

The Board has incorporated a number of contemporary modelling and policy statements into medium and long-term strategic planning, including the:

- Potential Impact of Climate Change on Victorian Alpine Resorts study which predicts

alpine climate trends to the end of the century;

- State-wide climate change and adaption policy frameworks from the Victorian government, including ambitious energy targets that apply to all public land entities; and
- Climate Vulnerability Assessment for the resort.

This information, combined with increased baseline data collection will see the Board's continued focus on adapting to climate change through:

- Establishing carbon footprint metrics to measure and reduce the impact to the global environment;
- Investigation into renewable energy sources and green energy partnerships to meet the Victorian state-wide targets for renewable energy consumption;
- Increased capacity to deal with year-round significant storm events including continued review of the Emergency Management Plan and resort risk profile; and
- Establishing baseline KPI's for biodiversity condition.



**644,000**  
**VISITOR DAYS**  
**ANNUALLY**



**469,000**  
**WINTER**



**175,000**  
**SUMMER**

## The 2018 white season generated the fourth deepest average snow depth since 1998, with respect to both snow depth and accumulative falls.

With accumulating snowfall starting relatively early and supported by regular snow storms, it was the best start to the season since 2000. This meant less reliance on snow making and reduced water consumption by Falls Creek Ski Lifts. More broadly, visitation was strong for the Victorian industry, with resorts recording a record 1.722m visitor

days and Falls Creek again experiencing record visitor days patronage. All resorts experienced above average snowfall for the season, contributing to excellent visitation and experiences for snowsports enthusiasts.

Closing out the green seasons for 2017/18 has seen the resort benefit from a robust schedule of events, some starting even before the snow had melted in November! Managing visitation peaks is less challenging in the summer, but nonetheless requires measures to ensure a unique experience can be had in the alps. Having invested materially into infrastructure and with upgrades to monitoring systems, water consumption and processing volume through waste treatment facilities enables a cross match to be applied to visitation metrics and assists in managing waste reduction and

emissions targets. With the growth in summer visitation - supported by new activations in the aquatic and nature based segments - the resort will continue to experience strong green season guest volumes necessitating the need to track year round metrics for the resort's long term sustainability.

The summary table below provides key metrics being monitored by resort management with the intent to establish a suite of sustainability initiatives that will assist in establishing frameworks for applying and monitoring resource use within the resort.



**Table 1: Key metrics including environmental performance**

Winter metrics	Unit	2018	2017
Declared snow season	days	121	127
Lifted skiing operations	days	121	127
Maximum natural snow depth	cm	217	217
Total natural accumulated snowfall	cm	391	473
Village ski in / ski out	days	106	82
Total visitor days	days	468,490	451,961
Summer metrics			
Total visitor days	days	175,487	169,684
Summer events	number	18	17
Water usage			
Annual potable water consumption	ML	174	177
Annual potable water usage per visitor	kL	0.629	0.636
Annual potable water usage per visitor day	kL	0.270	0.285
Annual discharge of treated water to catchment	ML	146	134
Compliance with statutory and licence conditions:			
Safe Drinking Water Act	%	100%	100%
EPA licence conditions	%	100%	100%
Energy usage			
Greenhouse gas emissions resulting from:			
Electricity usage	CO2e	1,172	1,205
LPG usage	CO2e	223	217
Diesel and unleaded petrol usage	CO2e	326	356
Renewable energy consumed*	%	> 5%	> 5%
Greenhouse gas emissions			
*Electricity contracts include 5% renewable energy, but actual renewable proportion may be higher due to close proximity to hydro scheme. FCRM's electricity provider is unable to provide the exact renewable percentage.			
Waste data			
Total waste	tonne	748.4	683.7
Waste disposed to landfill	tonne	400.6	413.4
Waste recovered	tonne	347.8	270.3
Waste diverted from landfill	%	46%	40%
Waste disposed to landfill / visitor day	kg	0.62kg	0.67kg
Paper usage			
A4 equivalent copy paper used	ream	164	185
A4 equivalent copy paper used per FTE	reams/FTE	4.7	5.8
Percentage of recycled content	%	30%	20%

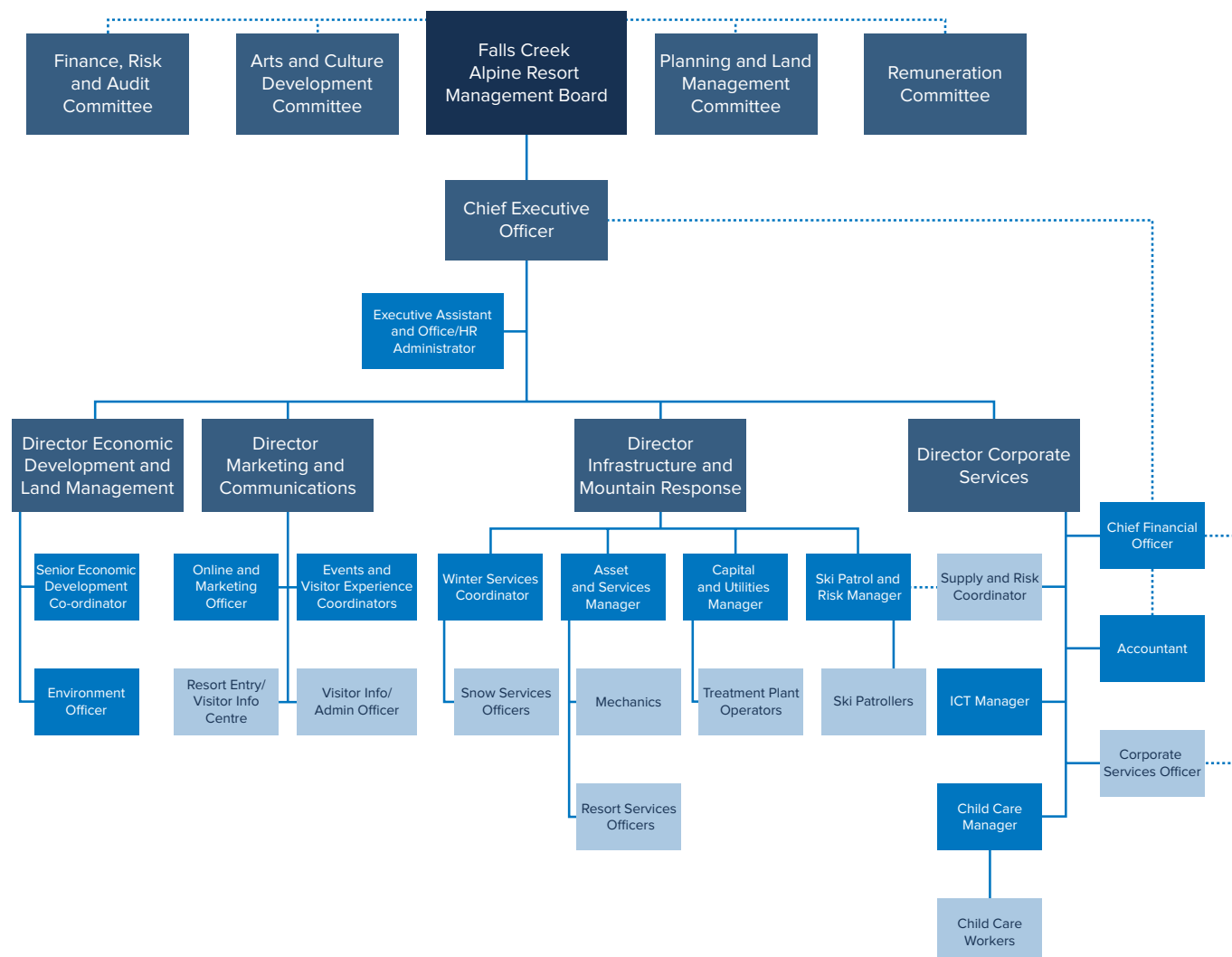
# Organisational Structure

FCRM's functional structure includes the following defined areas:

- Economic Development and Land Management;
- Marketing and Communications;
- Corporate Services; and
- Infrastructure and Mountain Response.

Following the resignation of the Building Surveyor in September 2018, this function has been outsourced and a longer-term contractual arrangement with a new Building Surveyor with extensive alpine resort experience was recently finalised.

FCRM's organisational structure at 31 December 2018 is outlined in the following chart.



# Board Profile

## **Jo Shannon**

**30 March to 31 December 2018**

Chair Jo Shannon brings to the Board over 20 years' experience in financial management and corporate governance in local government, alpine resorts, hospitality and the health sector. She is currently the Director Community and Corporate Services with Towong Shire Council and leads the Secretariat team for Rural Councils Victoria Inc. Prior to local government, Jo's management experience was gained in Melbourne media and technology companies and the alpine sector where she was employed by the Falls Creek Alpine Resort Management Board as the CFO and senior executive, leaving in 2013 to pursue other professional opportunities. More recently Jo has served as a Member of the Mount Hotham Alpine Resort Management Board and as Chair of its Audit Committee. As a keen skier and bushwalker, Jo has spent extensive time in the Victorian and NSW Alps and has travelled to many overseas ski resorts in North America, Europe and Japan. She is a full member of Albury Ski Club and an associate of Myrtleford Ski Club and has been part of the broader Falls Creek community for over 20 years. Now living in Albury, Jo considers herself very fortunate to have lived for 15 years in Mount Beauty, raising a young family and serving on a range of community boards, including the Alpine Health Board of Management, Alpine Shire Council Audit Committee and the local Bendigo Community Bank. Jo is committed to engaging communities to deliver a range of sustainable strategic outcomes as Falls Creek positions itself for the future.

## **Sue Lebish**

**1 January to 31 December 2018**

Sue has over twenty years professional and senior management experience in Local Government, University and the Banking sectors providing finance, governance, project and risk management roles in Queensland, Canberra and Victoria. She is on the Winton Wetlands Committee of Management, Chair of the Audit Committee for the Alpine Shire and has held various other Board appointments in Government Owned and University Research Corporations. Sue's formal qualifications include a graduate of the Australian Institute of Company Directors, a Master of Business Administration, a Bachelor of Commerce, a Certified Practising Accountant and she is also a member of the Australian Risk Policy Institute. She is a keen skier who has visited Falls Creek since the 1980's and has a strong belief in the commercial, ecological and social value of the Alpine regions to the local and regional communities.

## **Lindy Allen**

**1 January to 31 December 2018**

Lindy is a highly-experienced senior executive currently operating Living-Proof Media, an independent consultancy to the arts offering services including documentation, evaluation, writing and editing for publication. Recent professional roles include Chief Executive Officer of Regional Arts Australia (2013-2014) and Chief Executive Officer of Regional Arts Victoria (2004-2012). During 2012-2013, Lindy was Executive Producer for the Centenary of Canberra's largest national community engagement program, One River, spanning four states and a territory. Current board roles include the Cultural Development Network and Winton Wetlands. Former board roles include Narrandera-based arts organisation, The Cad Factory, Lakes Entrance-based Aboriginal cultural organisation Wurrinbeena, Regional Arts Australia and the Australian Children's Theatre Foundation. Other roles include judge and mentor for the Victorian Tourism Industry Commission RACV Tourism Awards. Professional qualifications include Bachelor of Arts (University of Melbourne), Graduate Diploma Arts Management (University of South Australia), photojournalism major, Bachelor of Creative Arts, Latrobe University, Bendigo and Graduate, Australian Institute of Company Directors (GAICD).

## **Jason Alexandra**

**1 January to 31 December 2018**

Jason Alexandra has over 30 years' experience working on sustainability and natural resources management (NRM) operating consulting, revegetation and farming businesses and working in senior roles in national and international organisations.

Jason has been a Director of Land & Water Australia and the Port Phillip CMA. As the Executive Director of the Earthwatch Institute, Jason initiated the successful citizen science program ClimateWatch. Between 2008 and 2013, Jason was a senior executive at the Murray Darling Basin Authority with responsibilities for NRM, water reform, climate science and ecosystem management.

As the managing director of Alexandra and Associates Pty Ltd, Jason has completed over 100 consulting projects on sustainability, natural resources management, environment and water policy.

## **Michelle Croughan**

**30 March to 31 December 2018**

Michelle has worked in local and State government as a planner, with a particular focus on the management of the planning system, for over 20 years. Michelle was the Manager of Alpine Planning for the State Government for a number of years and over the last 15 years 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. Michelle is a Graduate Member of the Australian Institute of Company Directors, has an Honours Degree in Planning and Design at Melbourne University and a Diploma in Business Management at RMIT. Michelle is also a member of the Victorian Coastal Council.

## **Helen Moran**

**30 March to 31 December 2018**

Helen Moran is an accomplished Executive Leader, possessing extensive business and commercial knowledge and expertise within the ski resort and tourism industries. Helen has a demonstrated track record of providing tangible results that positively impact on organisational performance. Helen is experienced at initiating strategic change that positively impacts on efficiency and bottom line profitability, without compromising quality of service or standards. Adept at providing leadership throughout an organisation, and recognised as a strategic thinker and leader within the industry, Helen's past experience on various committees and boards in the Alpine Resort area and generally in tourism allows her to contribute towards the future direction of Victoria's Alpine Resorts.

## **Peter Valerio**

**30 March to 31 December 2018**

Peter has over 30 years' experience in commercial, public sector and business roles within the tourism sector and is widely respected for his destination marketing expertise. In his early career he was General Manager for one of Australia's largest ski tour operators and accommodation providers. He is a former senior executive of the Australian Tourist Commission where he was responsible for evaluating the Commission's global marketing program, strategic analysis and resource allocation. He was part of the ATC team that developed 'destination branding' – an approach to destination marketing has been adopted around the world. For the past 23 years he has provided consulting services to a wide range of destinations in the form of tourism strategies, plans and related market analysis. He led the rebranding of Far North Queensland, guided the Hong Kong Tourism Board's strategy in the post-handover period and assisted in the development of three consecutive Tourism Master Plans for NSW. He has also advised a wide range of private sector tourism industry clients in most sectors of the tourism industry. More recently, he has assisted NSW National Parks & Wildlife Service in areas of asset management, consumer experience and product development. He is a former faculty member of Hawaii's Executive Development Institute for Tourism where he delivered executive training modules in tourism marketing and market research. He is married with four children and lives in NE Victoria.

**Anne-Marie Tenni**

**1 January to 29 March 2018**

Anne-Marie Tenni brought 30 years' experience to the Board in environmental management encompassing natural resource management, pollution control, environmental management systems, auditing and governance. She has worked in both public and private sectors encouraging people to

work together to achieve the best possible environmental outcomes. Anne-Marie has hands-on experience living, working and managing the alpine environment at Falls Creek. She has worked extensively with government and private sector agencies, Landcare and Friends groups as well as contributing to community groups including Race Club, school boards and her local revegetation groups. Anne-Marie brings

a practical approach to decision making derived from her experience in public land management, running a small rural property and spending a large amount of time at Falls Creek over all seasons. Formal Qualifications: Degree in Agricultural Science (MU) and post-graduate degrees in Environmental Engineering (MU) and, Agriculture and Rural Development (UWS). Anne-Marie left the Board at the end of March 2018.





# Board Committees

The Board meets regularly and operates with a Committee structure as detailed below to meet accepted principles of good governance and compliance requirements and to assist with the work of management and the Board.

## Finance, Risk and Audit Committee

The primary objective of the Finance, Risk and Audit Committee (FRAC) is to assist the Board to fulfil its corporate governance and oversight responsibilities relating to financial accounting practices, risk management, internal control systems, external reporting and the internal and external audit functions.

All the Committee are independent, non-executive members. The FRAC has appropriate financial and industry expertise, and members are financially literate and have an appropriate understanding of the operation of the Resort Management Board.

Membership for the 2018 year included:

- Lindy Allen (Chair to March 2018)
- Anne-Marie Tenni (to March 2018)
- Jason Alexandra (to March 2018)
- Sue Lebish (all year; Chair from April 2018)
- Jo Shannon (from April 2018)
- Michelle Croughan (from April 2018)
- Helen Moran (from April 2018)

### FRAC Duties and Responsibilities:

The FRAC has a range of duties and responsibilities to fulfil as a Committee of the Board. In summary, these duties include:

- a) reviewing the program and the audits

conducted both by the organisation's internal and external auditors;

- b) maintaining open lines of communication with the Board, the internal auditors and the external auditors;
- c) reviewing the financial information to be presented by management to the Department of Environment, Land, Water and Planning (DELWP);
- d) reviewing the adequacy of internal controls;
- e) oversight of compliance and recommendations to the Board as to appropriate policies and governance; and
- f) reviewing the Risk Management Framework and critical risks from the Risk Register.

Substantial work and effort was directed to improve and streamline processes; monitor risk management; ensure security of systems; enhance governance and compliance; ensure procurement probity; implement standardised reporting and bring policies operating within the organisation up to date. Further refinement will continue in 2019.

## Planning and Land Management Committee

This committee assists the Board in fulfilling its responsibilities relating to planning and land management within the resort.

Membership during 2018 included:

- Anne-Marie Tenni (Chair to March 2018)
- Jason Alexandra (Chair from April 2018)
- Sue Lebish
- Michelle Croughan (from April 2018)
- Peter Valerio (from April 2018)

## Arts and Cultural Development Committee

This committee was formed to 2016 to develop an arts and culture strategy to connect key points identified in the Falls Creek Master Plan. The committee oversees the implementation of this strategy which provides a clear framework for development of arts and culture in the resort.

Membership during 2018 included:

- Lindy Allen (Chair)
- Sue Lebish (to March 2018)
- Peter Valerio (from April 2018)
- Stuart Smythe
- Debbie Howie (Falls Creek Chamber of Commerce representative)
- Lisa Logan (Falls Creek community representative)
- Karen Smythe (Falls Creek Historical Society representative)

## Remuneration Committee

This Committee's responsibilities relate to the appointment and performance of the Chief Executive Officer and executive remuneration policies, reporting and performance.

Membership during 2018 included:

- Helen Moran (from April 2018: Chair)
- Jason Alexandra
- Sue Lebish
- Lindy Allen (to March 2018)
- Jo Shannon (from April 2018)

## Board and Committee Attendance

Name	Board	Planning and Land Management Committee	Finance, Risk and Audit Committee	Arts and Cultural Development Committee	Remuneration Committee
Jo Shannon	7/7		6/6		1/1
Lindy Allen	8/9		2/2	5/5	1/1
Jason Alexandra	6/9	7/7	2/2		2/2
Sue Lebish	9/9	7/7	8/8	1/1	2/2
Michelle Croughan	6/7	4/5	5/6		
Helen Moran	6/7		5/6		1/1
Peter Valerio	7/7	5/5		4/5	
Anne-Marie Tenni	2/2	2/2	2/2		
Stuart Smythe				5/5	
Debbie Howie				3/5	
Karen Smythe				4/5	
Lisa Logan				1/5	

Note: Excludes sub-committee meetings attended by Board members in an observational or invited capacity, when they're not members of that sub-committee. Also excludes management who attend by standing invitation but are not official Committee members.

# OH&S and Human Resources

## Occupational Health and Safety (OH&S)

Falls Creek Resort Management is committed to providing a healthy and safe workplace. The OH&S strategy is to ensure that employees, contractors and visitors remain safe and healthy at work and while enjoying the alpine activities that Falls Creek has on offer. Some of the OH&S initiatives and actions in 2018 included:

- development of Safe Work Method Statements (SWMS) covering high risk work activities within the Infrastructure and Mountain Response directorate;
- continued refinement of the online Work Health & Safety (WHS) system which provides access to online inductions, incident/hazard reporting, policies, forms, contractor licences, certificates and insurances and a broad range of other OH&S information, data, registers and documents;
- addressing items in the Health and Safety Action/Improvement Plans;
- workplace safety discussions – daily “toolbox/morning briefing” meetings for all ski patrol and other outdoor crew;
- flu vaccination and employee assistance program;
- ongoing staff training to meet requirements in safety compliance, emergency management and personal development; and
- workplace inspection program, evacuation drills and other regular OH&S tasks to ensure resort safety and compliance.

## OH&S Performance

Measure	KPI	2018	2017	2016
Incidents	Number of incidents	83	69	49
	Rate per 100 FTE	237.1	215.6	148.5
	No. of incidents requiring first aid and/or further medical treatment	24	19	11
Claims	Number of standard claims	5	3	3
	Rate per 100 FTE	14.3	9.4	9.1
	Number of lost time claims	5	3	2
	Rate per 100 FTE	14.3	9.4	6.1
	Number of claims exceeding 13 weeks	0	1	0
	Rate per 100 FTE	0.0	3.1	0.0
Fatalities	Fatality claims	0	0	0
Claim costs	Average cost per claim	\$3,854	\$14,457	\$24,519
Return to Work (RTW)	Percentage of claims with RTW plan < 30 days	100%	67%	100%
Management commitment	OH&S policy statement, OH&S objectives, regular reporting to Board and senior management of OH&S, and OH&S plans	completed	completed	completed
	Evidence of OH&S criteria(s) in purchasing guidelines (including goods, services and personnel)	completed	completed	completed
Consultation and participation	Evidence of agreed structure of designated work groups (DWGs), health & safety representatives (HSRs) and issue resolution procedures (IRPs).	completed	completed	completed
	Compliance with agreed structure on DWGs, HSRs and IRPs	completed	completed	completed
Risk management	Percentage of internal audits/inspections conducted as planned:	100%	75%	70%
	No. of improvement notices issued by WorkSafe inspector	0	0	0
	Percentage of issues identified actioned arising from:			
	- Internal audits/inspections	100%	100%	100%
- HSR provisional improvement notices	0%	0%	0%	
- WorkSafe notices	0%	0%	0%	
Training	Percentage of managers and staff that have received OH&S training:			
	- Induction (including contractors and temps)	100%	100%	100%
	- Management training	73%	80%	75%
	Percentage of HSRs trained:			
	- Acceptance of role	100%	100%	100%
- Re-training (refresher)	100%	100%	100%	
- Reporting of incidents and injuries	100%	100%	100%	

The number of incidents increased in 2018 primarily due to injuries from increased green season activity, greater staff familiarity with the WHS online reporting system and heightened awareness of the importance of reporting all incidents, in addition to the flow-on effect of the rise in resort visitation across all seasons. The number of lost time injury claims increased to 5, which was a rate of 14.3 per 100 FTE (Full-Time Equivalents). The lost time injuries were all musculoskeletal injuries, none of which have required surgical intervention to date.

## Industrial Relations

The ratification of the four year Enterprise Agreement (EA) in October 2016 provided for annual wage increases in exchange for identified savings and aligned indoor and outdoor employee pay-bands and classifications. A small number of EA queries have been subsequently clarified and some employees have entered into individual flexibility arrangements. There was no lost time during the year from industrial disputes. As the current EA expires on 30 June 2020, initial planning and consultation meetings for the new EA will commence during 2019.

## Workforce Data

	December 2018							December 2017						
	All Employees		Ongoing			Fixed Term/ Casual		All Employees		Ongoing			Fixed Term/ Casual	
	H/C	FTE	Full-time H/C	Part-time H/C	FTE	H/C	FTE	H/C	FTE	Full-time H/C	Part-time H/C	FTE	H/C	FTE
<b>Demographic Data</b>														
<b>Gender</b>														
Male	27	22	13	3	15	11	7	26	21	14	1	14	11	7
Female	17	13	9	2	10	6	3	15	11	7	3	9	5	2
Self-described	n	n	n	n	n	n	n							
<b>Age</b>														
15-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-34	9	7	5	1	6	3	1	7	5	3	1	4	3	1
35-44	16	13	10	2	11	4	2	17	14	9	2	10	6	4
45-54	14	12	6	1	7	7	5	12	10	8	0	8	4	2
55-64	4	2	1	1	1	2	1	4	2	1	1	1	2	1
65+	1	1	0	0	0	1	1	1	0	0	0	0	1	0
<b>Classification Data</b>														
Band 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Band 3	4	2	0	1	1	3	1	3	2	0	0	0	3	2
Band 4	10	7	5	0	5	5	2	8	5	3	0	3	5	2
Band 5	14	10	8	2	9	4	1	14	10	8	3	9	3	1
Band 6	6	6	5	1	6	0	0	6	6	5	1	6	0	0
Band 7	5	5	4	1	5	0	0	6	5	5	0	5	1	0
Executives	5	5	0	0	0	5	5	4	4	0	0	0	4	4
<b>Total Employees</b>	<b>44</b>	<b>35</b>	<b>22</b>	<b>5</b>	<b>25</b>	<b>17</b>	<b>10</b>	<b>41</b>	<b>32</b>	<b>21</b>	<b>4</b>	<b>23</b>	<b>16</b>	<b>9</b>

Abbreviations: H/C = Headcount; FTE = Full-time Equivalent; n = no-one has identified in the category

Note: FTE figures in above table are rounded to the nearest whole number, so there may be rounding errors for some totals.

# Compliance Items

## Statutory Undertakings

The statutory undertakings of the Board are:

- As a Board of Management under the *Alpine Resorts (Management) Act 1997* to manage the land at Falls Creek declared to be an alpine resort and to deliver the functions and services specified in the Act;
- To act as a Committee of Management under the *Crown Land (Reserves) Act 1978*, and to exercise the powers conferred under that Act;
- To provide the services of a municipal council for the purposes of the *Emergency Management Act 1986* and Division 2A of Part 9 of the *Environmental Protection Act 1970*;
- To administer and enforce Parts 3, 4, 5, 7 and 8 of the *Building Act 1993* and the building regulations in the resort;
- To regulate traffic and parking within the resort as a prescribed Public Authority under the *Road Safety Act 1986*;
- To provide public health services within the resort under the provisions of the *Health Act 1958* and *Food Act 1984*; and
- To consider applications for planning permits in accordance with Sections 52 and 55 of the *Planning and Environment Act 1987*. The Minister with administrative responsibility for Alpine Resorts and responsible for the *Crown Land (Reserves) Act 1978* is the Minister for Energy, Environment and Climate Change.

## Nature and Scope of Activities

The Board provides a range of services to the community and resort visitors determined by clearly defined functions under the *Alpine Resorts (Management) Act 1997*. These are:

- To plan for the development, promotion, management and use of the resort in accordance with the object of the Act;
- To:
  - Develop and promote; or
  - Facilitate the development or promotion by others of the use of the resort in accordance with the object of the Act;
- To manage the resort in accordance with the object of the Act;
- To contribute to the development of the Alpine Resorts Strategic Plan and other strategic planning for alpine resorts as a whole;
- To undertake research into alpine resort issues;
- To contribute to and support the operation of the Alpine Resorts Co-ordinating Council;
- To prepare and implement a Strategic Management Plan for the resort;
- To expend or apply revenue of the Board in accordance with a direction of the Minister under section 36(A) of the Act;

- To act as a committee of management of any Crown land deemed to be permanently reserved under the *Crown Land (Reserves) Act 1978* in the resort;
- To contribute, together with Tourism Victoria, established under the *Tourism Victoria Act 1992*, and the Council, to the overall promotion of alpine resorts
- To develop a tourism and marketing strategy for and to promote the resort and to collect and expend voluntary contributions from commercial undertakings in the resort for this purpose;
- To provide services in the nature of:
  - Garbage Disposal
  - Water Supply
  - Gas
  - Drainage
  - Sewerage
  - Electricity
  - Roads
  - Fire Protection
  - Transport for the Resort
- To collect fees prescribed by the regulations for the resort;
- To attract investment for the improvement of the resort in respect of which the Board is established; and
- To carry out any other function conferred on the Board.

## Legislative and Regulatory Compliance

There is a wide range of legislative and regulatory requirements and deadlines that govern the Board's activities and behaviour. Those with a major influence on performance and success, together with brief details of our compliance outcomes are:

### ***Alpine Resorts (Management) Act 1997***

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

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

Compliance obligations under this Act were met through:

- Preparation of a Corporate Plan in accordance with Section 53;

- Fixing contributions for specified services in accordance with Section 13;
- Notifying the Minister of significant affecting events in accordance with Section 55;
- The keeping of a General Account in accordance with Section 56;
- Delivery of the functions prescribed in Section 38;
- Exercise of powers in accordance with Section 39;
- Employment of staff in accordance with Section 41;
- Conduct of proceedings and disclosure of interest in accordance with Sections 51 and 52;
- Granting of leases in accordance with Part 2; and
- Preparation of a Strategic Management Plan in accordance with Section 56.

### ***Alpine Resorts (Management) Regulations 2009***

Regulatory obligations have been met by:

- Declaration of the Snow Season;
- Setting aside areas where activities are prohibited or restricted;
- Setting aside areas where entry is prohibited or restricted;
- Setting aside areas to be used for certain purposes;
- Granting of Authorities for certain purposes; and
- Managing entry and permits for other uses in accordance with Parts 2 and 3.

### ***Building Act 1993***

Falls Creek Resort Management is responsible for the application of this Act in much the same way as a municipal council and the interim nominated Municipal Building Surveyor for the resort is Bruce Howie. Each building within the resort area has been scheduled for inspection to ensure that the regular maintenance of essential services installed has occurred to the required operational level at the required frequency. These inspections occur over a 3 year inspection cycle.

### ***Catchment and Land Protection Act 1994***

Falls Creek continued programs in accordance with the requirements of this Act.

Works included:

- Control of noxious weeds;
- Control of pest animals;
- Control of State Prohibited Weeds; and
- Ensured the health of land and waterways within the resort and their impacts within the catchment.

### ***Crown Land (Reserves) Act 1978***

- Exercise of the powers of a committee of management; and

- Granting of licences in accordance with Section 7.

### **Emergency Management Act 1986**

Falls Creek Resort Management Board is deemed to be a municipal council for the purposes of this Act and has:

- Prepared and maintained a Municipal Emergency Management Plan in accordance with Section 20; and
- Complied with Section 2 in relation to coordination and planning and audit of the plan.

### **Environment Protection Act 1970**

Participation in the regional waste management group (NevRwaste) and the development of a regional waste management plan were central to meeting the obligations under this Act. Sewerage treatment operation was compliant with our EPA licence and an annual report was presented to the EPA by year end in accordance with the licence.

### **Financial Management Act 1994**

Refer to Financial Statements.

### **Freedom of Information Act 1982**

This Act allows the public a right of access to documents held by the Board.

Freedom of Information requests are made in writing describing the documents requested and including payment of the \$28.90 application fee. Further charges may be payable. FOI fees and charges are not subject to GST.

Requests should be sent to Freedom of Information Officer, Craig Thompson. The telephone contact number is (03) 5758-1200.

Enquiries can be emailed to [fcrmb@falls creek.com.au](mailto:fcrmb@falls creek.com.au)

Requests for access to documents should be in writing and directed to:

Falls Creek Resort Management  
PO Box 50, Falls Creek, Victoria 3699

In the reporting period there was 1 request, for which the full documents requested were provided.

### **Health and Food Act**

Obligations and responsibilities under this Act are met under Ministerial delegation to Indigo Shire.

### **Occupational Health & Safety Act 2004**

Refer to OH&S on page 26.

### **Planning & Environment Act 1987**

Falls Creek fulfilled its role as a referral authority and as a land management agency under this Act.

### **Protected Disclosure Act 2012**

The *Protected Disclosure Act 2012* (PD Act) enables people to make disclosures about

improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

#### **What is a protected disclosure?**

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body. FCARMB 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 FCARMB or its board members, officers or employees by contacting IBAC on the contact details provided below. Please note that FCARMB is not able to receive protected disclosures.

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

FCARMB has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about the organisation or its employees. You can access FCARMB's procedures on its website.

#### **Contacts**

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

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

Mail: IBAC, GPO Box 24234,  
Melbourne Victoria 3001

Internet: [www.ibac.vic.gov.au](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.

### **Public Administration Act 2004**

The purpose of this Act is to provide a framework for good governance in the Victorian public sector and to establish the Victorian Public Sector Commission (VPSA).

A number of divisions of the Act have applied to FCRM since the Act commenced. These include Board responsibilities to uphold and promote public sector values and employment principles.

### **Road Management Act 2004**

Falls Creek maintains a roads register as required by this Act.

### **Road Safety Act 1986**

Falls Creek exercised its role as a public authority for the purposes of this Act.

### **Safe Drinking Water Act 2003**

The resort met its testing and monitoring obligations prescribed by this Act.

Falls Creek's annual report on its water supply responsibilities and testing was submitted to the Department of Health.

### **Victorian Industry Participation Policy Act 2003**

This Act requires public bodies and Departments to report on the implementation of the Victorian Industry Participation Policy (VIPP) for all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. In 2018, there were no tenders above \$1 million.

### **Competitive Neutrality Policy**

Competitive neutrality is a guiding principle of the Competitive Neutrality Policy and requires that the Board should compete with private sector businesses on the same footing. The Board complies with the Victorian Government policies in regard to Competitive Neutrality Policy.

### **Women, Aged, Youth and Indigenous Affairs**

The Board is committed to policies, programs and strategies aimed at delivering culturally appropriate services to all Victorians. In carrying out its business the Board ensures that there is female representation and equity and involves women in consultation, decision-making, leadership and equality of opportunity.

The Board abides by Aboriginal Affairs Victoria's reporting requirements.

### **Capital Projects**

FCRM manages a number of capital projects, none of which exceeded the \$10m disclosure threshold. For information on recent capital projects managed by FCRM and the broader Victorian public sector, please refer to the most recent Budget Paper No. 4 State Capital Program (BP4) available on the Department of Treasury and Finance's website at this link: <https://www.budget.vic.gov.au/budget-papers>

### **Contracts**

The management of Board contracts is governed by its expenditure and contract approval policy and delegations register.

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

### **Public Administration Values and Employment Principles**

FCRM continued its commitment to the principles of merit and equity in human resource management. All appointments and promotions conducted during the reporting

# Compliance Items

period were based on competitive selection processes. These selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

The organisation continues to implement the directions of the Victorian Public Sector Commission with respect to upholding public sector conduct, managing and valuing diversity, managing underperformance, reviewing personal grievances and selecting on merit. Employees have been correctly classified in workforce data collections.

## Factors Influencing Board's Performance

There were no major changes or factors affecting the Board's performance during the year.

## Events Subsequent to Reporting Date

Subsequent events are detailed in note 8.8 of the financial statements. Subsequent to the balance sheet date, no other item, transaction or event of a material or unusual nature is likely, in the opinion of the Board, to significantly affect the operations of the Board, the results of those operations, or the state of affairs of the Board, in future financial years.

## Consultancy Expenditure

The selection and engagement of consultants is based on obtaining competitive public or restricted offers through open and effective competition, observing accountability requirements and achieving value for money.

### Details of individual consultancies valued at greater than \$10,000

In 2018, there were three consultancies where the total fees payable to the consultants was \$10,000 or greater. The total expenditure incurred during 2018 in relation to these consultancies was \$154,914 (excluding GST). Details of these individual consultancies are outlined below.

Consultant	Purpose of consultancy	Total approved project fee (\$ excl. GST)	Expenditure 2018 (\$ excl. GST)	Future Expenditure (\$ excl. GST)
Biosis Pty Ltd	Vegetation offset strategy and water consulting	20,000	18,933	120,000
GHD Pty Ltd	Geotechnical risk mitigation	50,000	47,551	60,000
On Tap Consulting Pty Ltd	Technical and compliance advice	90,000	88,430	80,000

### Details of consultancies under \$10,000

In 2018, Falls Creek Resort Management engaged eight consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure in relation to these consultancies of \$17,764 (excluding GST).

## Information and Communication Technology (ICT) expenditure

(\$ whole)

ICT expenditure type	2018	2017
ICT Business As Usual (BAU) expenditure	424,647	363,121
ICT Non-Business As Usual (non-BAU) expenditure:		
Operational expenditure	-	-
Capital expenditure	53,509	32,142
<b>Total ICT expenditure</b>	<b>478,156</b>	<b>395,263</b>

## Overseas Travel

During 2018, there were two overseas visits made by FCRM employees for the purpose of ski patroller exchange placements at Squaw Valley, California and Keystone resort in Colorado. FCRM expenditure on these visits was restricted to visa applications only.

## Government Advertising Expenditure

No Government Advertising Expenditure was incurred by FCRM during the reporting period.

## Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, any data tables produced by the Falls Creek Alpine Resort Management Board will be available at [www.data.vic.gov.au](http://www.data.vic.gov.au) in machine readable format.

## Other Available Information

The following information is available on request, subject to the *Freedom of Information Act 1982*:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;

- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes; and
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved.

# Attestation

## Financial Management Compliance Attestation

I, Jo Shannon, on behalf of the Responsible Body, certify that the Falls Creek Alpine Resort Management Board has complied with the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



**Jo Shannon**  
Board Chair  
27 February 2019



# How the 2018 Financial Statements are Structured

Falls Creek Alpine Resort Management Board (FCARMB) has presented its audited general-purpose financial statements for the financial year ended 31 December 2018 in the following structure to provide users with the information about FCARMB's stewardship of resources entrusted to it.

## FINANCIAL STATEMENTS

### Declaration and Auditor's Report

Declaration by the Board Chair and Accountable Officers **33**

Independent Auditor's Report **34**

### Financial Statements

Comprehensive Operating Statement **36**

Balance Sheet **37**

Cash Flow Statement **38**

Statement of Changes in Equity **39**

## NOTES TO THE FINANCIAL STATEMENTS

### 1. About this Report **40**

The basis on which the financial statements have been prepared and compliance with reporting regulations

### 2. Funding Delivery of Our Services **41**

Revenue recognised from taxes, grants, sales of goods and services and other sources

2.1 Site Rent and Service Charges

2.2 Visitor Fees

2.3 Other Income

2.4 Government Contributions

### 3. The Cost of Delivering Services **43**

Operating expenses of FCRM

3.1 Employee Benefits

3.2 Expenses from Transactions Other than Employee Benefits

### 4. Key Assets Available to Support Service Delivery **45**

Infrastructure and other assets utilised in fulfilling objectives

4.1 Total Infrastructure, Property, Plant and Equipment

4.2 Depreciation and Amortisation

4.3 Reconciliation of Movements in Carrying Amounts of Property, Plant and Equipment

4.4 Intangible Assets

### 5. Other Assets and Liabilities **48**

Working capital balances, and other key assets and liabilities

5.1 Receivables

5.2 Payables

5.3 Inventories

5.4 Prepayments

5.5 Unearned Revenue

### 6. How We Financed Our Operations **51**

Borrowings, cash flow information, leases and assets pledged as security

6.1 Borrowings

6.2 Revenue Commitments

6.3 Cash Flow Information and Balances

6.4 Commitments for Expenditure

### 7. Risks, Contingencies and Valuation Judgements **55**

Financial risk management, contingent assets and liabilities as well as fair value determination

7.1 Financial Instruments: Specific Disclosures

7.2 Contingent Assets and Contingent Liabilities

7.3 Fair Value Determination

### 8. Other Disclosures **63**

8.1 Ex-gratia Expenses

8.2 Other Economic Flows included in Net Result

8.3 Non-financial Assets Held for Sale

8.4 Responsible Persons

8.5 Remuneration of Executives

8.6 Related Parties

8.7 Remuneration of Auditors

8.8 Subsequent Events

8.9 Australian Accounting Standards issued that are not yet effective

8.10 Glossary of Technical Terms

8.11 Style Conventions



# Declaration

## **Falls Creek Alpine Resort Management Board Declaration by the Board Chair, Accountable Officer and Chief Financial Officer**

The attached financial statements for Falls Creek Alpine Resort Management Board have been prepared in accordance with Direction 5.2 of the Standing Directions 2018 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, cash flow statement, statement of changes in equity, and accompanying notes, presents fairly the financial transactions during the year ended 31 December 2018 and financial position of the Board at 31 December 2018.

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

We authorise the attached financial statements for issue 27 February 2019.



Jo Shannon  
Board Chair

Falls Creek  
27 February 2019



Stuart Smythe  
Chief Executive Officer

Falls Creek  
27 February 2019



Samantha Salmon  
Chief Financial Officer

Falls Creek  
27 February 2019

## Independent Auditor's Report

### *To the Members of the Falls Creek Alpine Resort Management Board*

<b>Opinion</b>	<p>I have audited the financial report of Falls Creek Alpine Resort Management Board (the entity) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 31 December 2018</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 board chair, accountable officer and chief financial officer.</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 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <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 <i>APES 110 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>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  
28 February 2019



Simone Bohan  
*as delegate for the Auditor-General of Victoria*

# Comprehensive Operating Statement

For the financial year ended 31 December 2018

	Notes	2018	2017
(\$ whole)			
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Site rent and service charges	2.1	6,326,493	5,791,157
Visitor fees	2.2	4,506,227	3,950,613
Other income	2.3	1,239,609	1,186,718
Government contributions	2.4	245,513	349,041
<b>Total income from transactions</b>		<b>12,317,842</b>	<b>11,277,529</b>
<b>Expenses from transactions</b>			
Employee benefits	3.1	4,262,674	4,268,088
Contract payments, materials, services	3.2	3,281,037	2,897,311
Utilities and communications		653,438	516,993
Depreciation and amortisation	4.2	2,107,788	2,064,008
Interest expenses	6.1.2	34,674	41,216
Marketing and communications		527,556	480,801
Administration and compliance	3.2	1,274,847	1,506,581
<b>Total expenses from transactions</b>		<b>12,142,014</b>	<b>11,774,998</b>
<b>Net result from continuing operations</b>		<b>175,828</b>	<b>(497,469)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets		-	(280,821)
Impairment of infrastructure, property, plant and equipment		-	(71,345)
Other gain/(loss) from other economic activities		607	(191)
<b>Total other economic flows included in net result</b>		<b>607</b>	<b>(352,357)</b>
<b>Net result</b>		<b>176,435</b>	<b>(849,826)</b>
<b>Other economic flows – other comprehensive income</b>			
Changes in physical asset revaluation surplus		-	-
<b>Total other economic flows – other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Comprehensive result</b>		<b>176,435</b>	<b>(849,826)</b>

The accompanying notes form part of these financial statements.

# Balance Sheet

As at 31 December 2018

	Notes	2018	2017
(\$ whole)			
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.3	1,681,193	655,885
Receivables	5.1	1,747,349	1,484,264
<b>Total financial assets</b>		<b>3,428,542</b>	<b>2,140,149</b>
<b>Non-financial assets</b>			
Inventories	5.3	20,548	38,209
Prepayments	5.4	332,458	335,220
Infrastructure, property, plant and equipment	4.1 / 8.3	87,437,227	88,593,075
Intangible assets	4.4	97,713	156,693
<b>Total non-financial assets</b>		<b>87,887,946</b>	<b>89,123,197</b>
<b>Total assets</b>		<b>91,316,488</b>	<b>91,263,346</b>
<b>Liabilities</b>			
Payables	5.2	797,758	811,999
Unearned revenue	5.5	286,837	278,555
Borrowings	6.1	799,189	972,552
Provisions for employee benefits	3.1.1	755,294	699,265
<b>Total liabilities</b>		<b>2,639,078</b>	<b>2,762,371</b>
<b>Net assets</b>		<b>88,677,410</b>	<b>88,500,975</b>
<b>Equity</b>			
Accumulated surplus		6,163,593	5,987,158
Asset revaluation reserve		41,077,529	41,077,529
Contributed capital		41,436,288	41,436,288
<b>Net worth</b>		<b>88,677,410</b>	<b>88,500,975</b>

The accompanying notes form part of these financial statements.

# Cash Flow Statement

For the financial year ended 31 December 2018

	Notes	2018	2017
			(\$ whole)
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts in the course of operations		12,777,877	11,833,665
Receipts from Government		259,444	352,910
Receipts of insurance claims		58,041	54,080
Interest received		7,787	-
<b>Total receipts</b>		<b>13,103,149</b>	<b>12,240,655</b>
<b>Payments</b>			
Payments to suppliers for goods and services		(6,602,116)	(6,896,851)
Payments to and on behalf of employees		(4,206,596)	(4,115,125)
Interest paid		(34,674)	(41,261)
Goods and Services Tax received/(paid) to the ATO		(168,132)	(15,455)
<b>Total payments</b>		<b>(11,011,518)</b>	<b>(11,068,692)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>6.3.1</b>	<b>2,091,631</b>	<b>1,171,964</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets		(923,830)	(630,269)
Receipts from insurance claims		8,870	-
Sale of non-financial assets		22,000	11,475
<b>Net cash flows from/(used in) investing activities</b>		<b>(892,960)</b>	<b>(618,794)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		-	100,000
Proceeds from borrowings		-	1,000,000
Repayment of borrowings		(173,363)	(1,166,776)
<b>Net cash flows from/ (used in) financing activities</b>		<b>(173,363)</b>	<b>(66,776)</b>
<b>Net increase/(decrease) in cash and deposits</b>		<b>1,025,308</b>	<b>486,394</b>
Cash and deposits at beginning of period		655,885	169,491
<b>Cash and deposits at end of period</b>	<b>6.3</b>	<b>1,681,193</b>	<b>655,885</b>

The accompanying notes form part of these financial statements.  
 (1) Goods and Services Tax paid to the ATO is presented on a net basis.

# Statement of Changes in Equity

For the financial year ended 31 December 2018

	Asset revaluation reserve	Accumulated surplus	Contributed capital	(\$ whole) Total
<b>Balance as at 31 December 2016</b>	<b>41,077,529</b>	<b>6,836,984</b>	<b>41,336,288</b>	<b>89,250,801</b>
Net result for the period	-	(849,826)	-	(849,826)
Capital contributions for the period	-	-	100,000	100,000
<b>Balance as at 31 December 2017</b>	<b>41,077,529</b>	<b>5,987,158</b>	<b>41,436,288</b>	<b>88,500,975</b>
Net result for the period	-	176,435	-	176,435
Capital contributions for the period	-	-	-	-
<b>Balance as at 31 December 2018</b>	<b>41,077,529</b>	<b>6,163,593</b>	<b>41,436,288</b>	<b>88,677,410</b>

*The accompanying notes form part of these financial statements.*

# Notes to the Financial Statements

## 1. ABOUT THIS REPORT

The Falls Creek Alpine Resort Management Board (the Board) is a statutory authority of the State of Victoria, established under the *Alpine Resorts (Management) Act 1997*.

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

The principal address is:

Falls Creek Alpine Resort Management Board  
1 Slalom Street,  
Falls Creek VIC 3699

### BASIS OF PREPARATION

These financial statements cover the Board as an individual reporting entity. These financial statements have been prepared on a going concern basis. During the 2018 Financial Year, the Board structure changed to consist of seven (7) members; three (3) unique Board members to Falls Creek Alpine Resort Management Board and four (4) Board members who are members of Falls Creek, Mt Hotham, Mt Buller & Mt Stirling Alpine Resort Management Boards. This change in the Alpine Resort Management Board structure has not impacted the going concern of the organisation but has brought more collaboration between the Resorts involved.

These financial statements are 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 preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

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 in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are to be disclosed in the notes under the heading: 'Significant judgement or estimates.'

All amounts in the financial statements have been rounded to the nearest \$1 unless otherwise stated.

### COMPLIANCE INFORMATION

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable Australian Accounting Standards (AASs) which include interpretations, issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.



## 2. FUNDING DELIVERY OF OUR SERVICES

### INTRODUCTION

The overall objective of the Board is to deliver, for our users and stakeholders, an unparalleled and unique world class all seasons Alpine resort, renowned for being Australia's premier leisure, lifestyle and adventure destination.

To enable the Board to fulfil its objective it receives contributions from site holders in accordance with its role as managers of Crown Land. The Board also receives income of visitor fees from the public visiting during the declared Snow Season. The Board also receives Government funding due to its status as a statutory authority.

Income is recognised to the extent it is probable the economic benefits will flow to the Board and the income can be reliably measured. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. Item listed on the comprehensive operating statement under 'income from transactions' are detailed below.

### 2.1 SITE RENT AND SERVICE CHARGES

	2018	2017
		(\$ whole)
Service charges	4,718,573	4,124,507
Site rental	1,607,920	1,666,650
<b>Total</b>	<b>6,326,493</b>	<b>5,791,157</b>

Service charges are imposed on an annual basis, and revenue is recognised on an accrual basis. Service charges are calculated on a rate per bed and per square metre of commercial area held within each premise. A bed audit is conducted on a three-year cycle for each premise. Capital ingoings are charged when a site undertakes development that increases the site's capacity. These are once-off charges to cover the infrastructure costs needed to support the additional capacity and are included in the service charges line above. Capital ingoings are recognised when the development occurs. Site rental is recognised under the terms and conditions of each lease and in accordance with the Board's role as a Committee of Management of any Crown land deemed to be permanently reserved under the *Crown Lands Reserve Act 1978*. The general terms and conditions for site rental are based on a formal valuation undertaken on a three-year cycle for each site holder. During the years between valuations, site rental increases in-line with the CPI released by the Australian Bureau of Statistics.

### 2.2 VISITOR FEES

	2018	2017
		(\$ whole)
Resort entry fees	4,371,149	3,811,348
Child care services	135,078	139,265
<b>Total</b>	<b>4,506,227</b>	<b>3,950,613</b>

# Notes to the Financial Statements

Revenue is recognised at the point of sale when services are rendered or when a rate/tariff is fixed for service charges levied under Section 13 of the *Alpine Resorts (Management) Act 1997*. Infringements are issued to guests who do not pay their visitor fees under the *Road Safety Act 1986* and the *Road Safety (General) Regulations 2009*. Infringement income is located below in note 2.3 Other income. Other income is recognised on an accrual basis.

## 2.3 OTHER INCOME

	2018	2017
		(\$ whole)
Ski patrol contributions	424,802	431,439
Co-operative marketing	148,653	95,376
Interest	8,792	-
Insurance recovery	66,911	50,200
Property and leasing fees	189,990	203,737
Sponsorships	25,909	52,337
Infringement income	9,555	5,710
Other income	364,997	347,919
<b>Total</b>	<b>1,239,609</b>	<b>1,186,718</b>

## 2.4 GOVERNMENT CONTRIBUTIONS

	2018	2017
		(\$ whole)
Victorian State Government	7,464	175,651
Commonwealth funding	228,799	173,390
Other funding (private or other government)	9,250	-
<b>Total</b>	<b>245,513</b>	<b>349,041</b>

Government contributions or grants from third parties (other than contributions by owners) are recognised as income in the reporting period in which the Board gains control over the underlying assets.

Grants and contributions for capital works from all sources are recognised as operating revenue when an entitlement is established and disclosed in the comprehensive operating statement as government grants. However, grants and contributions received from the Victorian State Government that are deemed as being owner's contributions are recognised directly as equity, in accordance with *FRD 119A Transfers through contributed capital* are accounted for as Equity – Contributed Capital.

### 3. THE COST OF DELIVERING SERVICES

#### INTRODUCTION

This section provides information on the expenses incurred as part of the delivery of services. In note 2, the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are recorded. Like note 2, this section discusses a number of the items on the comprehensive operating statement under 'expenses from transactions' as well as employee benefits listed in the balance sheet under liabilities, as provisions. Depreciation and amortisation are discussed in note 4 while interest expenses are discussed in note 6.

#### 3.1 EMPLOYEE BENEFITS

	2018	2017
		(\$ whole)
Salaries and wages, annual leave and long service leave	3,913,952	3,924,136
Defined contribution superannuation expense	343,394	332,268
Defined benefit superannuation expense	5,328	11,684
<b>Total</b>	<b>4,262,674</b>	<b>4,268,088</b>

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, superannuation, leave entitlements, payroll tax, redundancy payments and WorkCover premiums.

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employee contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The Department of Treasury and Finance (DTF) in their annual financial statements disclose on behalf of the State as the supporting employer, the net defined benefit cost related to the members of these plans as an administered liability. More detailed disclosures in relation to these plans can be obtained in DTF's Annual Financial Statements.

#### 3.1.1 EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2018	2017
		(\$ whole)
<b>Current provisions</b>		
<b>Annual leave</b>		
Unconditional and expected to be settled within 12 months	128,782	99,533
Unconditional and expected to be settled after 12 months	33,966	46,737
<b>Long service leave</b>		
Unconditional and expected to be settled within 12 months	104,642	106,491
Unconditional and expected to be settled after 12 months	177,516	152,030
<b>Provisions for on-costs</b>		
Unconditional and expected to be settled within 12 months	29,222	21,342
Unconditional and expected to be settled after 12 months	24,907	35,616
<b>Total current provisions for employee benefits</b>	<b>499,035</b>	<b>461,749</b>
<b>Non-current provisions</b>		
Employee benefits	229,196	208,914
Employee benefits on-costs	27,063	28,602
<b>Total non-current provisions</b>	<b>256,259</b>	<b>237,517</b>
<b>Total provisions for employee benefits</b>	<b>755,294</b>	<b>699,265</b>

# Notes to the Financial Statements

Employee benefits consist of salaries & wages, annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision. All amounts are measured at present values. No provision has been made for sick leave as all sick leave is non-vesting and 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 Comprehensive Operating Statement as it is taken.

## RECONCILIATION OF MOVEMENT IN ON-COST PROVISION

	(\$ whole)	
	2018	2017
<b>Opening balance</b>	<b>85,560</b>	<b>71,358</b>
Additional provisions recognised	24,901	45,068
Additions due to transfer in	-	4,380
Reductions arising from payments	(30,378)	(35,055)
Effect of change in discount rates	604	(191)
<b>Closing balance</b>	<b>80,687</b>	<b>85,560</b>
Current	53,725	56,958
Non-current	26,962	28,602
<b>Total</b>	<b>80,687</b>	<b>85,560</b>

## 3.1.2 SUPERANNUATION CONTRIBUTIONS

	Paid contribution for the year		Contribution outstanding at year end	
	2018	2017	2018	2017
<b>Defined benefits plan (i):</b>				
ESS super	11,971	10,341	480	1,859
<b>Defined contribution plans:</b>				
Vic super	129,507	100,829	17,470	28,732
Other	292,807	194,810	41,375	61,531
<b>Total</b>	<b>434,285</b>	<b>305,980</b>	<b>59,324</b>	<b>92,122</b>

Note: (i) The basis for determining the level of contributions is determined by the actuary of the defined benefit superannuation plan.

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

As noted before, the defined benefit liability is recognised in DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Board.

## 3.2 EXPENSES FROM TRANSACTIONS OTHER THAN EMPLOYEE BENEFITS

The Board incurs many transactions to deliver its services. Costs incurred are recognised when goods are received or when services are provided. From the Comprehensive Operating Statement, the main areas of transactions are further defined below.

Contract payments, materials and services costs relate to those costs incurred with maintaining the infrastructure of the resort, such as transport facilities for guests during

the declared snow season, waste services, sewerage and water supply, snow clearing, public shelters, equipment, etc. Many of these costs are bound by contracts held within commitments payable (see Note 6.4).

Administration and compliance refer to the costs incurred by the Board for items that are covered by Ministerial Directions such as ARCC contributions, insurance and other expenses relating to general office consumables.

Marketing and communications costs are those related to sustaining and growing the declared snow season through to promotion and growing the green season (under the Ministerial Directions) and to support and collaborate with stakeholders to create a seamless visitor experience while providing a sustainable and viable business for our stakeholders.

### 3.2 EXPENSES FROM TRANSACTIONS OTHER THAN EMPLOYEE BENEFITS

	2018	2017
		(\$ whole)
<b>Contract payments, materials, services</b>		
Contractors (cleaning, transport and general)	1,310,010	1,146,029
Waste services	572,906	549,829
Consumables	322,854	218,609
Consultants	163,454	156,422
Other contract payments, materials, services	911,813	826,421
<b>Total contract payments, materials, services</b>	<b>3,281,037</b>	<b>2,897,311</b>
<b>Administration and compliance</b>		
ARCC contributions	353,469	337,993
Insurance	400,776	423,676
Other administration and compliance	520,602	744,912
<b>Total administration and compliance</b>	<b>1,274,847</b>	<b>1,506,581</b>

## 4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

### INTRODUCTION

The Board controls infrastructure and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Board to be utilised for delivery of those activities.

### FAIR VALUE MEASUREMENT

Where the assets included in this section are carried at fair value, additional information is disclosed in note 7.3 in connection with how those fair values were determined.

### 4.1 TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2018	2017	2018	2017	2018	2017
Land at fair value	39,403,800	39,403,800	-	-	39,403,800	39,403,800
Buildings at fair value	12,449,273	12,371,009	(959,789)	(562,989)	11,489,484	11,808,020
Infrastructure systems at fair value	22,921,972	22,463,832	(1,634,750)	(852,409)	21,287,222	21,611,423
Roads at fair value	14,165,127	14,151,791	(1,064,641)	(532,962)	13,100,486	13,618,829
Plant, equipment and vehicles at fair value	5,083,063	4,853,720	(3,450,412)	(3,112,425)	1,632,651	1,741,295
Capital works in progress	523,584	409,708	-	-	523,584	409,708
<b>Total</b>	<b>94,546,819</b>	<b>93,653,860</b>	<b>(7,109,592)</b>	<b>(5,060,785)</b>	<b>87,437,227</b>	<b>88,593,075</b>

**Initial recognition:** Items of property, plant and equipment, are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. The capitalisation threshold is \$1,000.

**Subsequent measurement:** Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined regarding the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category. During the 2016 Financial Year, all asset categories besides plant, equipment and vehicles were revalued by the Valuer-General Victoria to their fair value.

Note 7.3 includes additional information in connection with fair value determination of infrastructure, property, plant and equipment.

# Notes to the Financial Statements

## 4.2 DEPRECIATION AND AMORTISATION – CHARGE FOR THE PERIOD

	2018	2017
		(\$ whole)
Buildings at fair value	396,800	393,089
Infrastructure systems at fair value	782,342	774,503
Roads at fair value	531,679	531,711
Plant, equipment and vehicles at fair value	337,987	311,517
Intangible assets	58,980	53,188
<b>Total depreciation and amortisation</b>	<b>2,107,788</b>	<b>2,064,008</b>

All infrastructure assets, buildings, plant and equipment and other non financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under operating leases, assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Buildings	10 to 60
Infrastructure	10 to 150
Plant, equipment and vehicles (incl. leased assets)	3 to 10
Roads	10 to 150
• Formation	150
• Pavement	80
• Seals	10 to 40

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

**Impairment:** Non-financial assets, including items of infrastructure, property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

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

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

### 4.3 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNTS OF PROPERTY, PLANT AND EQUIPMENT

#### MOVEMENTS IN CARRYING AMOUNTS

(\$ whole)

2018	Land at fair value	Buildings at fair value	Infrastructure at fair value	Plant, equipment & vehicles at fair value	Roads at fair value	Capital works in progress at fair value	Total
Opening balance	39,403,800	11,808,020	21,611,423	1,741,295	13,618,829	409,708	88,593,075
Additions	-	2,098	102,771	94,004	-	712,087	910,960
Disposals	-	-	-	(18,000)	-	-	(18,000)
Impairment	-	-	-	-	-	-	-
Transfers	-	76,166	355,369	153,339	13,336	(598,211)	-
Revaluation of PPE	-	-	-	-	-	-	-
Depreciation	-	(396,800)	(782,341)	(337,987)	(531,679)	-	(2,048,807)
<b>Closing balance</b>	<b>39,403,800</b>	<b>11,489,484</b>	<b>21,287,222</b>	<b>1,632,651</b>	<b>13,100,486</b>	<b>523,584</b>	<b>87,437,227</b>

2017	Land at fair value	Buildings at fair value	Infrastructure at fair value	Plant, equipment and vehicles at fair value	Roads at fair value	Capital works in progress at fair value	Total
Opening balance	39,403,800	12,202,909	22,395,177	2,050,308	14,168,888	118,585	90,339,667
Additions	-	20,200	217,018	98,939	-	388,297	724,454
Disposals	-	(22,000)	(226,269)	(25,090)	(18,348)	-	(291,707)
Impairment	-	-	-	(71,345)	-	-	(71,345)
Transfers	-	-	-	-	-	(97,175)	(97,175)
Revaluation of PPE	-	-	-	-	-	-	-
Depreciation	-	(393,089)	(774,503)	(311,517)	(531,711)	-	(2,010,819)
<b>Closing balance</b>	<b>39,403,800</b>	<b>11,808,020</b>	<b>21,611,423</b>	<b>1,741,295</b>	<b>13,618,829</b>	<b>409,707</b>	<b>88,593,075</b>

### 4.4 INTANGIBLE ASSETS

(\$ whole)

	2018	2017
Gross carrying amount		
Opening balance	156,693	115,919
Additions	-	93,962
Amortisation of intangible assets	(58,980)	(53,188)
<b>Closing balance</b>	<b>97,713</b>	<b>156,693</b>

The consumption of intangible assets is included in the 'depreciation and amortisation' line item on the Comprehensive Operating Statement and in note 4.2.

# Notes to the Financial Statements

## 5. OTHER ASSETS AND LIABILITIES

### INTRODUCTION

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

### 5.1 RECEIVABLES

	2018	2017
		(\$ whole)
<b>Current receivables</b>		
<b>Contractual</b>		
Sale of goods and services	195,654	215,646
Provision for doubtful receivables	(17,821)	(11,500)
Accrued revenue	1,472,858	1,179,001
<b>Statutory</b>		
GST input tax credit recoverable	96,658	101,117
<b>Total receivables</b>	<b>1,747,349</b>	<b>1,484,264</b>

**Contractual receivables** are classified as financial instruments and categorised as 'loans and receivables.' They are initially recognised at fair value plus any directly attributable transaction costs. After 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.

### MOVEMENT IN THE PROVISION FOR DOUBTFUL DEBTS

	2018	2017
		(\$ whole)
<b>Balance at beginning of the year</b>	<b>(11,500)</b>	<b>(67,171)</b>
Transfer in	-	11,436
Increase in provision recognised in the net result	(6,321)	(4,331)
Reversal of provision of receivables written off during the year as uncollectable	-	48,566
<b>Balance at end of the year</b>	<b>(17,821)</b>	<b>(11,500)</b>

**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 is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The decrease in the provision for the year is recognised in the net result.



## 5.1.1 AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES

(\$ whole)

	Carrying amount	Not past due and not impaired	Less than 1 month	Past due but not impaired		
				1 – 3 months	3 months – 1 year	1 – 5 years
<b>2018</b>						
Sale of goods and services	195,654	33,982	11,074	22,652	81,215	46,731
Accrued revenue	1,472,858	1,472,858	-	-	-	-
<b>Total</b>	<b>1,668,512</b>	<b>1,506,840</b>	<b>11,074</b>	<b>22,652</b>	<b>81,215</b>	<b>46,731</b>
<b>2017</b>						
Sale of goods and services	215,646	2,322	35,511	16,394	111,310	50,109
Accrued revenue	1,179,001	1,179,001	-	-	-	-
<b>Total</b>	<b>1,394,647</b>	<b>1,181,323</b>	<b>35,511</b>	<b>16,394</b>	<b>111,310</b>	<b>50,109</b>

No interest is charged for the first 30 days from the invoice date. Under the *Penalty Interest Rate Act 1983*, interest can be charged at 10% on the outstanding balance for site rent and service charges. Any other kind of receivable does not incur interest, it incurs a late fee of \$15 per month after the first 30 days. Site rent and service charges have credit periods of 30 days, most other receivables sales of goods / services have a credit period of 14 days. There are no material financial assets that are individually determined to be impaired.

Currently the Board does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

## 5.2 PAYABLES

(\$ whole)

	2018	2017
<b>Current payables:</b>		
<b>Contractual</b>		
Supplies and services	315,048	312,043
Superannuation payable	59,325	92,122
Other payables	226,033	139,503
<b>Statutory</b>		
GST payable	103,522	181,028
Other taxes payable	93,830	87,303
<b>Total payables</b>	<b>797,758</b>	<b>811,999</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 Board 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.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on the 'other payables' for the first 30 days from the date of the invoice. Thereafter, interest is calculated as 2% on the outstanding balance per annum.

The terms and conditions of amounts payable to the government and agencies vary according to the agreements and as they are not legislative payables, they are not classified as financial instruments.

# Notes to the Financial Statements

## 5.2.1 MATURITY ANALYSIS OF CONTRACTUAL PAYABLES

(\$ whole)

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1 – 3 months	3 months – 1 year	1 – 5 years	5+ years
<b>2018</b>							
Supplies and services	315,048	315,048	285,048	-	-	30,000 <sup>(i)</sup>	-
Superannuation payable	59,325	59,325	59,325	-	-	-	-
Other payables and accruals	226,033	226,033	113,249	112,784	-	-	-
<b>Total</b>	<b>600,406</b>	<b>600,406</b>	<b>457,622</b>	<b>112,784</b>	<b>-</b>	<b>30,000</b>	<b>-</b>
<b>2017</b>							
Supplies and services	312,043	312,043	282,043	-	-	-	30,000 <sup>(i)</sup>
Superannuation payable	92,122	92,122	92,122	-	-	-	-
Other payables and accruals	139,503	139,503	101,406	38,097	-	-	-
<b>Total</b>	<b>543,668</b>	<b>543,668</b>	<b>475,571</b>	<b>38,097</b>	<b>-</b>	<b>-</b>	<b>30,000</b>

Notes: (i) This relates to an amount retained in case of early cancellation of a contract due to expire with the amount repaid in May 2022.

Maturity analysis is presented using the contractual undiscounted cash flows.

## 5.3 INVENTORIES

(\$ whole)

	2018	2017
<b>Current inventories</b>		
Diesel at cost	14,293	31,644
Unleaded petrol at cost	6,255	6,565
<b>Total inventories</b>	<b>20,548</b>	<b>38,209</b>

Inventories include goods held for distribution at nominal cost and are measured at the lower of cost and net realisable value, adjusted for any loss of service potential. While fuel is held primarily for the use of the Board, it can be distributed to stakeholders under agreement.

## 5.4 PREPAYMENTS

(\$ whole)

	2018	2017
<b>Current other assets</b>		
Prepayments	332,458	335,220
<b>Total other assets</b>	<b>332,458</b>	<b>335,220</b>

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

## 5.5 UNEARNED REVENUE

	2018	2017
		(\$ whole)
<b>Current other liabilities</b>		
Unearned revenue	286,837	278,555
<b>Total unearned revenue</b>	<b>286,837</b>	<b>278,555</b>

Unearned revenue includes funds received in advance of the Board delivering that service or that part of income received made in one accounting period covering a term extending beyond that period.

## 6. HOW WE FINANCED OUR OPERATIONS

### INTRODUCTION

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

### 6.1 BORROWINGS

	2018	2017
		(\$ whole)
<b>Current borrowings</b>		
Loan from TCV <sup>(i)</sup>	180,210	173,363
<b>Total current borrowings</b>	<b>180,210</b>	<b>173,363</b>
<b>Non current borrowings</b>		
Loan from TCV <sup>(i)</sup>	618,979	799,189
<b>Total non current borrowings</b>	<b>618,979</b>	<b>799,189</b>
<b>Total borrowings</b>	<b>799,189</b>	<b>972,552</b>

Note: (i) Unsecured credit foncier loan drawn down in February 2013 for a term of 10 years at a fixed interest rate of 3.9%.

'Borrowings' refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria (TCV).

Borrowings are classified as financial instruments. All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis after initial recognition depends on whether the Board has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest-bearing liabilities. The Board determines the classification of its interest-bearing liabilities at initial recognition.

Defaults and breaches: During the current and prior year, there were no defaults and breaches on the loan held.

# Notes to the Financial Statements

## 6.1.1 MATURITY ANALYSIS OF BORROWINGS

(\$ whole)

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1 – 3 months	3 months – 1 year	1 – 5 years	5+ years
<b>2018</b>							
Loan from TCV	799,189	799,189	14,752	29,648	135,810	618,979	-
<b>Total</b>	<b>799,189</b>	<b>799,189</b>	<b>14,752</b>	<b>29,648</b>	<b>135,810</b>	<b>618,979</b>	<b>-</b>
<b>2017</b>							
Loan from TCV	972,552	972,552	14,192	28,521	130,650	799,189	-
<b>Total</b>	<b>972,552</b>	<b>972,552</b>	<b>14,192</b>	<b>28,521</b>	<b>130,650</b>	<b>799,189</b>	<b>-</b>

## 6.1.2 INTEREST EXPENSE

(\$ whole)

	2018	2017
Total interest expense	34,674	41,216
<b>Total interest expense</b>	<b>34,674</b>	<b>41,216</b>

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

## 6.2 REVENUE COMMITMENTS

(\$ whole)

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>2018</b>				
Non-cancellable revenue commitments	1,360,193	4,721,849	26,704,975	32,787,017
<b>Total</b>	<b>1,360,193</b>	<b>4,721,849</b>	<b>26,704,975</b>	<b>32,787,017</b>
<b>2017</b>				
Non-cancellable revenue commitments	1,363,692	5,001,482	29,339,423	35,704,597
<b>Total</b>	<b>1,363,692</b>	<b>5,001,482</b>	<b>29,339,423</b>	<b>35,704,597</b>

Crown land is recorded in the accounts of the Board. The Board has bought to account the rental revenue in relation to the leased sites and does not account for depreciation since the class of asset is defined as land. No adjustments have been made for CPI to these amounts. The Board, acting as a Committee of Management under section 38 of the *Alpine Resorts (Management) Act 1997*, manages 100 Crown lease arrangements with site holders. The lease arrangements cover a variety of lease periods.

### 6.3 CASH FLOW INFORMATION AND BALANCES

	(\$ whole)	
	2018	2017
Cash at bank	1,274,795	650,528
Cash on hand	6,398	5,357
Term deposit	400,000	-
<b>Balance as per cash flow statement</b>	<b>1,681,193</b>	<b>655,885</b>

Cash and deposits, including cash equivalents, 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 which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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

#### 6.3.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	(\$ whole)	
	2018	2017
<b>Net result for the period</b>	<b>176,435</b>	<b>(849,826)</b>
<b>Non cash movements:</b>		
Depreciation and amortisation of non current assets	2,107,788	2,064,008
(Gain)/loss on disposal of non-current assets	-	280,821
Impairment of non-current assets	-	71,345
<b>Movements in assets and liabilities:</b>		
(Increase)/decrease in receivables	(263,085)	78,599
(Increase)/decrease in inventories	17,661	(1,640)
(Increase)/decrease in prepayments	2,762	(96,335)
Increase/(decrease) in payables	(14,242)	(578,548)
Increase/(decrease) in unearned revenue	8,283	51,441
Increase/(decrease) in provisions	56,029	152,099
<b>Net cash flows from/(used in) operating activities</b>	<b>2,091,631</b>	<b>1,171,964</b>

### 6.4 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

# Notes to the Financial Statements

## 6.4.1 TOTAL COMMITMENTS PAYABLE

NOMINAL AMOUNTS: 2018

(\$ whole)

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Capital expenditure commitments payable	205,943	-	-	205,943
Operating lease commitments payable <sup>(i)</sup>	177,983	850,042	8,229,094	9,257,119
Other commitments payable <sup>(ii)</sup>	1,718,299	2,332,406	-	4,050,705
<b>Total commitments (inclusive of GST)</b>	<b>2,102,225</b>	<b>3,182,448</b>	<b>8,229,094</b>	<b>13,513,767</b>
Less GST recoverable from the Australian Tax Office				(1,228,524)
<b>Total commitments (exclusive of GST)</b>				<b>12,285,243</b>

NOMINAL AMOUNTS: 2017

(\$ whole)

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Capital expenditure commitments payable	187,784	-	-	187,784
Operating lease commitments payable <sup>(i)</sup>	109,021	305,960	7,475,821	7,890,802
Other commitments payable <sup>(ii)</sup>	1,611,998	3,636,877	-	5,248,875
<b>Total commitments (inclusive of GST)</b>	<b>1,908,803</b>	<b>3,942,837</b>	<b>7,475,821</b>	<b>13,327,461</b>
Less GST recoverable from the Australian Tax Office				(1,211,587)
<b>Total commitments (exclusive of GST)</b>				<b>12,115,874</b>

Notes: (i) Subleases in relation to occupancy of the boardroom, childcare, gymnasium, public amenities and visitors' information hub within the St Falls development. The sub-leases cover all rental, outgoings and operating expenses for the remaining term of 63 years. Other operating lease commitments payable include gym equipment, office equipment and vehicles where the contracts do not allow for purchase of the items upon lease expiry.

(ii) Service contracts for Transport, Waste and Cleaning Services, event sponsorships, parking infringements processing, software licencing and land release and development expressions of interest.

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### INTRODUCTION

The Board is exposed to risk from its activities and outside factors. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Board related mainly to fair value determination.

### BACKGROUND

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

definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

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

### CATEGORIES OF FINANCIAL INSTRUMENTS

Loans, receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. After initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Board recognises the following assets in

this category:

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

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. After initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'Other economic flows – other comprehensive income' until the investment is disposed. Movements resulting from impairment are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows – other comprehensive income' is transferred to other economic flows in the net result.

### 7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. The Board recognises certain debt securities in this category.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. After initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being

recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The Board recognises the following liabilities in this category:

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

**Derecognition of financial assets:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Board has transferred its rights to receive cash flows from the asset and either:
  - a) has transferred substantially all the risks and rewards of the asset; or
  - b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Board's continuing involvement in the asset.

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

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

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

# Notes to the Financial Statements

## 7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

	Contractual financial assets – loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
<b>2018</b>			
<b>Contractual financial assets</b>			
Cash and deposits	1,681,193	-	1,681,193
<b>Receivables <sup>(i)</sup></b>			
Sale of goods and services	195,654	-	195,654
Accrued revenue	1,472,858	-	1,472,858
<b>Total contractual financial assets</b>	<b>3,349,705</b>	<b>-</b>	<b>3,349,705</b>
<b>Contractual financial liabilities</b>			
<b>Payables <sup>(i)</sup></b>			
Supplies and services	-	315,048	315,048
Superannuation payable	-	59,325	59,325
Other payables	-	226,033	226,033
Unearned revenue	-	286,837	286,837
<b>Borrowings</b>			
Loans from TCV	-	799,189	799,189
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>1,686,432</b>	<b>1,686,432</b>

Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable and taxes payable).

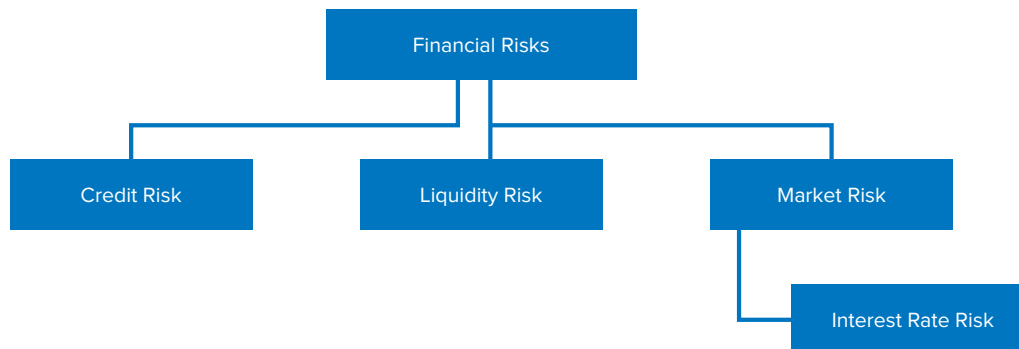
	Contractual financial assets – loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
<b>2017</b>			
<b>Contractual financial assets</b>			
Cash and deposits	655,885	-	655,885
<b>Receivables <sup>(i)</sup></b>			
Sale of goods and services	215,646	-	215,646
Accrued revenue	1,179,001	-	1,179,001
<b>Total contractual financial assets</b>	<b>2,050,532</b>	<b>-</b>	<b>2,050,532</b>
<b>Contractual financial liabilities</b>			
<b>Payables <sup>(i)</sup></b>			
Supplies and services	-	312,043	312,043
Superannuation payable	-	92,122	92,122
Other payables	-	139,503	139,503
Unearned revenue	-	278,555	278,555
<b>Borrowings</b>			
Loans from TCV	-	972,552	972,552
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>1,794,775</b>	<b>1,794,775</b>

Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable and taxes payable).



## 7.1.2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board is exposed to many financial risks, including:



As a whole, the Board's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses

are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.2.

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

The Board 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 Finance, Risk and Audit Committee of the Board.

### 7.1.2.1 FINANCIAL INSTRUMENTS: CREDIT RISK

Credit risk refers to the possibility that a site holder will default on its financial obligations as and when they fall due. The Board's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Board. Credit risk is measured at fair value and is monitored on a regular basis. The Board makes every attempt to communicate with site holders regarding any overdue financial obligations. As discussed in note 5.1, interest is not charged on the first 30 days after the invoice date. Board policies are in place to ensure that sufficient communication is undertaken

with site holders via various methods and communicated back to management in a timely manner. Any payment plans entered into are discussed with the Director Corporate Services and Chief Executive Officer and placed in writing.

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

Provision of doubtful debts for contractual financial assets is recognised when there is

objective evidence that the Board will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 90 days overdue.

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

There has been no material change to the Board's credit risk profile in 2018.

# Notes to the Financial Statements

## CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED <sup>(i)</sup>

(\$ whole)

	Financial institutions	Government agencies	Other	Total
<b>2018</b>				
Cash and deposits	1,274,795	400,000	6,398	1,681,193
Receivables <sup>(i)</sup>	-	7,578	188,076	195,654
Accrued revenue	-	-	1,472,858	1,472,858
<b>Total contractual financial assets</b>	<b>1,274,795</b>	<b>407,578</b>	<b>1,667,332</b>	<b>3,349,705</b>
<b>2017</b>				
Cash and deposits	650,528	-	5,357	655,885
Receivables <sup>(i)</sup>	-	-	215,646	215,646
Accrued revenue	-	-	1,179,001	1,179,001
<b>Total contractual financial assets</b>	<b>650,528</b>	<b>-</b>	<b>1,400,004</b>	<b>2,050,532</b>

Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

### 7.1.2.2 FINANCIAL INSTRUMENTS: LIQUIDITY RISK

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Board 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 Board is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The Board 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 Board's exposure to liquidity risk has decreased from prior period's data and current assessment of risk. Rigid financial management systems including cashflow analysis and control have improved both cashflow and liquidity integrity of the Board.

The carrying amount detailed in the table at 5.2.1 of contractual financial liabilities recorded in the financial statements represents the Board's maximum exposure to liquidity risk.

### 7.1.2.3 FINANCIAL INSTRUMENTS: MARKET RISK

The Board's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

#### SENSITIVITY DISCLOSURE ANALYSIS AND ASSUMPTIONS

The Board's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The Board's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. A movement of 100 basis points up and down in market interest rates (AUD) is 'reasonably possible' over the next 12 months. The following table

shows the impact on the Board's net result and equity for each category of financial instrument held by the Board at the end of the reporting period as presented to key management personnel, if the above movement were to occur.

#### INTEREST RATE RISK

The Board 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 Board has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rates.

The Board 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 rates. Management has concluded for cash at bank, as financial assets that can be left at floating rates without necessarily exposing the Board to significant bad risk, management monitors movement in interest rates daily.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and interest rate risk are set out in the table that follows.

Interest rate risk sensitivity is conducted on plus and minus 100 basis points and the impact of this on the net result. For the 2018 year, this would have a positive or negative impact on the net result of \$16,821 (2017: \$6,505).

### 7.1.2.3 FINANCIAL INSTRUMENTS: MARKET RISK (CONTINUED)

Interest rate exposure of financial instruments		(\$ whole)	(\$ whole)		
2018	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
<b>Financial assets</b>					
Cash and deposits	1.91%	1,681,193	400,000	-	1,281,193
Receivables (i)					
Sale of goods and services		195,654	-	-	195,654
Accrued revenue		1,472,858	-	-	1,472,858
<b>Total financial assets</b>		<b>3,349,705</b>	<b>400,000</b>	<b>-</b>	<b>2,949,705</b>
<b>Financial liabilities</b>					
Payables (i)					
Supplies and services		315,048	-	-	315,048
Superannuation payable		59,325	-	-	59,325
Other payables		226,033	-	-	226,033
Unearned revenue		286,837	-	-	286,837
Borrowings					
Loan from TCV	3.90%	799,189	799,189	-	-
<b>Total financial liabilities</b>		<b>1,686,432</b>	<b>799,189</b>	<b>-</b>	<b>887,243</b>
<b>2017</b>					
	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
<b>Financial assets</b>					
Cash and deposits	0.00%	655,885	-	650,528	5,357
Receivables (i)					
Sale of goods and services		215,646	-	-	215,646
Accrued revenue		1,179,001	-	-	1,179,001
<b>Total financial assets</b>		<b>2,050,532</b>	<b>-</b>	<b>650,528</b>	<b>1,400,004</b>
<b>Financial liabilities</b>					
Payables (i)					
Supplies and services		312,043	-	-	312,043
Superannuation payable		92,122	-	-	92,122
Other payables		139,503	-	-	139,503
Unearned revenue		278,555	-	-	278,555
Borrowings					
Loan from TCV	3.90%	972,552	972,552	-	-
<b>Total financial liabilities</b>		<b>1,794,775</b>	<b>972,552</b>	<b>-</b>	<b>822,223</b>

Notes: (i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

# Notes to the Financial Statements

## 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. The Board is not

aware of any material threat or existing legal actions or other contingencies between Falls Creek Alpine Resort Management Board and third parties as at 31 December 2018. In 2017

there were no contingent assets and one non-quantifiable contingent liability, which was determined during 2018 that the Board held no liability to the claim.

## 7.3 FAIR VALUE DETERMINATION

### **Significant judgement: Fair value measurements of assets and liabilities**

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

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through operating result; and
- Land, buildings, infrastructure, plant and equipment.

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

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

### **FAIR VALUE HIERARCHY**

In determining fair values, several inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- 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.

The Board determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the

lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### **HOW THIS SECTION IS STRUCTURED?**

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
- a reconciliation of the movements in fair values from the beginning of the year to the end; and
- details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer Note 7.3.1) and non-financial physical assets (refer 7.3.2).

### **7.3.1 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES**

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

- Level 1 – the fair value of financial 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 Board currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2018 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	• For supplies and services
• Sale of goods and services	• Amounts payable to government and agencies
• Accrued investment income	• Other payables
• Other receivables	Borrowings:
Investments and other contractual financial assets	• Loan from TCV

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference. For financial assets and liabilities, the carrying amount is the same as fair value.

## 7.3.2 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS

### FAIR VALUE MEASUREMENT HIERARCHY

(\$ whole)

2018	Carrying amount as at 31 December 2018	Fair value measurement at end of reporting period using:		
		Level 1	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
Land at fair value:				
Specialised land	39,403,800	-	-	39,403,800
<b>Total land at fair value</b>	<b>39,403,800</b>	<b>-</b>	<b>-</b>	<b>39,403,800</b>
Buildings at fair value:				
Specialised buildings	11,489,484	-	-	11,489,484
<b>Total buildings at fair value</b>	<b>11,489,484</b>	<b>-</b>	<b>-</b>	<b>11,489,484</b>
Plant, equipment and vehicles at fair value:				
Plant, equipment and vehicles	1,632,651	-	-	1,632,651
<b>Total plant, equipment and vehicles at fair value</b>	<b>1,632,651</b>	<b>-</b>	<b>-</b>	<b>1,632,651</b>
Infrastructure at fair value:				
Infrastructure systems	21,287,222	-	-	21,287,222
Roads	13,100,486	-	-	13,100,486
<b>Total infrastructure at fair value</b>	<b>34,387,708</b>	<b>-</b>	<b>-</b>	<b>34,387,708</b>

2017	Carrying amount as at 31 December 2017	Fair value measurement at end of reporting period using:		
		Level 1	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
Land at fair value:				
Specialised land	39,403,800	-	-	39,403,800
<b>Total land at fair value</b>	<b>39,403,800</b>	<b>-</b>	<b>-</b>	<b>39,403,800</b>
Buildings at fair value:				
Specialised buildings	11,808,020	-	-	11,808,020
<b>Total buildings at fair value</b>	<b>11,808,020</b>	<b>-</b>	<b>-</b>	<b>11,808,020</b>
<i>Plant, equipment and vehicles at fair value:</i>				
<i>Plant, equipment and vehicles</i>	1,741,295	-	-	1,741,295
<b>Total plant, equipment and vehicles at fair value</b>	<b>1,741,295</b>	<b>-</b>	<b>-</b>	<b>1,741,295</b>
Infrastructure at fair value:				
Infrastructure systems	21,611,423	-	-	21,611,423
Roads	13,618,829	-	-	13,618,829
<b>Total infrastructure at fair value</b>	<b>35,230,252</b>	<b>-</b>	<b>-</b>	<b>35,230,252</b>

Notes: (i) Leased land assets to the value of \$38,691,800 have been reclassified from level 2 as disclosed in the 2017 financial statements, to level 3. This is based on updated information identifying that a discount factor is applied to the value of these assets, being a significant unobservable input.

# Notes to the Financial Statements

## SPECIALISED LAND AND BUILDINGS

Fair value for 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 is applied to this valuation to reflect the valuers best estimate for the current conditions, expectations of activity and risks in respect to these leased land assets.

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

An independent valuation of specialised land

and buildings was performed by the Valuer-General Victoria (VGV). The effective date of the valuation is 31 December 2016. There were no changes to the valuation during 2018.

## INFRASTRUCTURE

Infrastructure assets, including road infrastructure, are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis.

Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

An independent valuation of the Board's infrastructure assets was performed by

the Valuer-General Victoria. The valuation was performed based on the depreciated replacement costs of the assets. The effective date of the valuation is 31 December 2016. There were no changes to the valuation during 2018.

## PLANT AND EQUIPMENT

Plant and equipment are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using depreciated cost method.

There were no changes in valuation techniques throughout the period to 31 December 2018.

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

## RECONCILIATION OF LEVEL 3 FAIR VALUE

2018	Specialised land	Specialised buildings	Plant, equipment and vehicles	Infrastructure systems	Roads
Opening balance	39,403,800	11,808,020	1,741,295	21,611,423	13,618,829
Additions and transfers	-	78,263	247,344	458,140	13,336
Disposals	-	-	(18,000)	-	-
Impairment	-	-	-	-	-
Depreciation	-	(396,800)	(337,987)	(782,341)	(531,679)
<b>Closing balance</b>	<b>39,403,800</b>	<b>11,489,484</b>	<b>1,632,651</b>	<b>21,287,222</b>	<b>13,100,486</b>

2017	Specialised land	Specialised buildings	Plant, equipment and vehicles	Infrastructure systems	Roads
Opening balance	39,403,800	12,202,909	2,050,308	22,395,177	14,168,888
Additions	-	20,200	98,939	217,018	-
Disposals	-	(22,000)	(25,090)	(226,269)	(18,348)
Impairment	-	-	(71,345)	-	-
Depreciation	-	(393,089)	(311,517)	(774,503)	(531,711)
<b>Closing balance</b>	<b>39,403,800</b>	<b>11,808,020</b>	<b>1,741,295</b>	<b>21,611,423</b>	<b>13,618,829</b>

## DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS

	Valuation technique	Significant unobservable inputs
Specialised land	Income approach	Community Service Obligation Adjustment (CSO)
Specialised buildings	Depreciated replacement cost	Replacement cost per square metre Useful life of specialised buildings
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Infrastructure	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Roads	Depreciated replacement cost	Cost per metre Useful life of plant and equipment

## 8. OTHER DISCLOSURES

### INTRODUCTION

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

### 8.1 EX-GRATIA EXPENSES

There were no ex-gratia expenses paid during the financial year ended 31 December 2018 (2017: \$Nil).

### 8.2 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

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

### 8.3 NON-FINANCIAL ASSETS HELD FOR SALE

In addition to the assets and liabilities disclosed above as part of the disposal groups, the following non-financial asset held for sale exists at the reporting date:

	2018	2017
		(\$ whole)
Non-financial assets:		
Plant and equipment held for sale	-	18,000
<b>Total non-financial assets held for sale</b>	<b>-</b>	<b>18,000</b>

The non-financial asset held for sale is measured at fair value less cost to sell. This is held within the balance sheet in infrastructure, property, plant & equipment until the sale is made. Any impairments incurred are included in the above net gain/(loss) on non-financial assets per AASB 5 Non-current assets held for sale and discontinued operations.

# Notes to the Financial Statements

## 8.4 RESPONSIBLE PERSONS

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

### NAMES

The person who held the position of Minister is as follows:

Minister for Energy, Environment and Climate Change

*The Hon Lily D'Ambrosio MP* (1 January 2018 to 31 December 2018)

The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the Department of Parliamentary Services' Financial Report.

The persons who held the positions of Responsible Officers in the Board are as follows:

Name	Position	Period
Sue Lebish	Board Chair	(1 January 2018 to 29 March 2018)
	Board Member	(30 March 2018 to 31 December 2018)
Jo Shannon	Board Chair	(30 March 2018 to 31 December 2018)
Lindy Allen	Deputy Chair	(1 January 2018 to 31 December 2018)
Anne-Marie Tenni	Board Member	(1 January 2018 to 29 March 2018)
Jason Alexandra	Board Member	(1 January 2018 to 31 December 2018)
Michelle Croughan	Board Member	(30 March 2018 to 31 December 2018)
Helen Moran	Board Member	(30 March 2018 to 31 December 2018)
Peter Valerio	Board Member	(30 March 2018 to 31 December 2018)
Stuart Smythe	CEO & Accountable Officer	(1 January 2018 to 31 December 2018)

Remuneration received or receivable by the responsible persons in connection with the management of the Board during the reporting period was \$331,888 (2017: \$313,598).

The number of responsible persons and their total remuneration during the reporting period are shown in the table below in their relevant income bands.

(\$ whole)

Income bands	Total remuneration	
	2018	2017
\$0-\$9,999	3	6
\$10,000-\$19,999	5	1
\$250,000-\$259,999	-	1
\$270,000-\$279,999	1	-
<b>Total number of responsible persons</b>	<b>9</b>	<b>8</b>
<b>Total remuneration</b>	<b>\$331,888</b>	<b>\$313,598</b>



## 8.5 REMUNERATION OF EXECUTIVES

The remuneration of the executive officers including superannuation shows the total annualised employee equivalents providing 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.

No termination benefits or shared-based payments were paid to executive officers throughout the 2018 Financial Year.

(\$ whole)

Remuneration	Total remuneration	
	2018	2017
Short-term employee benefits	\$565,764	\$446,413
Post-employment benefits	\$53,517	\$42,409
Other long-term benefits	\$14,083	\$10,833
<b>Total remuneration</b>	<b>\$633,364</b>	<b>\$499,655</b>
<b>Total number of executives</b>	<b>4</b>	<b>3</b>
<b>Total annualised employee equivalents <sup>(i)</sup></b>	<b>4</b>	<b>3</b>

Notes: (i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

## 8.6 RELATED PARTIES

AASB 124 – *Related Party Disclosures* requires specific disclosures around related party transactions for the 2018 financial year. The following disclosures are in-line with the AASB requirements.

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

Related parties of the Board include:

- all key management personnel and their close family members;
- 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 on an arm's length basis.

### SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

The Board received Grant Funding from the Department of Environment Land, Water & Planning (DELWP) of \$10,000, and paid to DELWP \$8,430 for governance expenses of planning permits and site valuations. The Board has a 10-year fixed rate loan with TCV, with repayments of \$208,034 during the year, further information on this loan can be found in note 6.1. The Board also utilise TCV for term deposits during 2018, with interest received of \$8,792.

The Board were invoiced an amount from Alpine Resorts Coordinating Council (ARCC) of \$331,769 for operational and marketing contributions (2017: \$409,939). An amount of \$63,888 included in the above figure was paid during January 2019 for the 2018 year.

During the year, the Board had government-related entity transactions related to the reimbursement of shared costs for legal advice and training expenses with Mt Buller Mt Stirling (ARMB); and Mt Hotham (ARMB). The Board also shared employee benefits expenses for the common Board members under the new Board Structure with Mt Hotham (ARMB).

Key management personnel of the Board include the Portfolio Minister, Board members and the Accountable 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* is reported within the Department of Parliamentary Services' Financial Report.

(\$ actual)

Compensation of KMPs	2018	2017
Short-term benefits	\$298,154	\$281,462
Post-employment benefits	\$28,229	\$26,739
Other long-term benefits	\$5,505	\$5,397
<b>Total</b>	<b>\$331,888</b>	<b>\$313,598</b>

# Notes to the Financial Statements

## TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND OTHER RELATED PARTIES

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

Outside of normal citizen type transactions with the Board, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

## 8.7 REMUNERATION OF AUDITORS

	2018	2017
		(\$ whole)
<b>Victorian Auditor General's Office</b>		
Audit or review of the financial statements	50,000	57,600
<b>HLB Mann Judd</b>		
Internal audit	12,851	17,160
<b>Total remuneration of auditors</b>	<b>62,851</b>	<b>74,760</b>

## 8.8 SUBSEQUENT EVENTS

The Board is not aware of any subsequent events that have occurred after the reporting period and before authorisation of the financial statements. The policy in connection with recognising subsequent events is as follows: where events occur between the end of the reporting period and the date when the financial statements are authorised for issue:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions which existed at the reporting date; and/or
- disclosure is made where the events relate to conditions which arose after the end of the reporting period that are of material interest.

## 8.9 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

The following Australian Accounting Standards (AASs) become effective for reporting periods commencing after the operative dates stated: Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 31 December 2018 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises the Board of their applicability and early adoption where applicable.

Standard/ interpretation	Summary	Applicable for reporting periods beginning on	Impact on public sector entity financial statements
<b>AASB 15 Revenue from Contracts with Customers</b>	The core principal of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2019	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The standard will also require additional disclosures on service revenue and contract modifications.  Management has assessed these changes and determined the impact will not be significant.
<b>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</b>	The standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application of AASB 15 for not-for-profit entities to the 2019 reporting period.
<b>AASB 16 Leases</b>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on the balance sheet.	1 Jan 2019	The assessment has indicated that most operating leases will come onto the balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.  Rather than expensing lease payments, depreciation on right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating result.  Management has assessed these changes and determined the impacts upon the balance sheet and operating statement in terms of depreciation, right of use assets and interest expense.
<b>AASB 1058 Income of Not-for-Profit Entities</b>	The standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable the not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.  Management has assessed these changes and determined an immaterial impact on the revenue recorded within the operating statement.

# Notes to the Financial Statements

## 8.10 GLOSSARY OF TECHNICAL TERMS

The following is a summary of the major technical terms used in this report.

**Amortisation** is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

**Borrowings** refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.

**Commitments** include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

**Comprehensive result** is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

**Depreciation** is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

**Employee benefits expenses** include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

**Ex-gratia expenses** mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

**Financial asset** is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial

asset for a fixed number of the entity's own equity instruments.

**Financial instrument** is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial liability** is any liability that is:

- (a) a contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

**Infrastructure systems** provide essential services used in the delivery of final services or products. They are generally a complex interconnected network of individual assets and mainly include sewerage systems, water storage and supply systems, and public transport assets owned by the State.

**Interest expense** represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

**Leases** are rights to use an asset for an agreed period in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

**Net operating balance** or **net result from transactions** is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations.

It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

**Net result** is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

**Net worth** is calculated as assets less liabilities, which is an economic measure of wealth.

**Non-financial assets** are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

**Operating result** is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

**Other economic flows included in net result** are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

**Payables** include short and long-term trade debt and accounts payable, grants, taxes and interest payable.

**Receivables** include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

**Sales of goods and services** refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

**Supplies and services** generally represent cost of goods sold and the day to day running

costs, including maintenance costs, incurred in the normal operations of the Department.

**Transactions** are those economic flows that are considered to arise because of policy decisions, usually an interaction between two entities by agreement. They also include

flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government

and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

### 8.11 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.

The notation used in the tables is as follows:

- zero, or rounded to zero
  - (xxx) negative numbers
  - 201x year period
  - 201x 201x year period
- The financial statements and notes are presented based on the illustration for a

government department in the 2017-18 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Board's annual report.



# Disclosure Index

The Annual Report of the Falls Creek Alpine Resort Management Board is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

DISCLOSURE REQUIREMENT	PAGE
<b>Accountable Officer's declaration</b>	
SD 5.2 Sign off requirements	33
<b>Charter and purpose</b>	
FRD 22H Objectives, functions, powers and duties	8-9, 28-30
FRD 22H Manner of establishment and responsible Minister	8
FRD 22H Nature and range of services provided	28
<b>Financial information</b>	
FRD 22H Operational and budgetary objectives and performance against objectives	10
FRD 22H Summary of the financial results	11
FRD 22H Major changes or factors affecting performance	10
FRD 22H Subsequent events	30, 66
FRD 22H Significant changes in financial position during the year	10-11
<b>Governance and organisational structure</b>	
FRD 22H Organisational structure	22
FRD 22H Occupational health and safety	26
FRD 22H Employment and conduct principles	9, 29-30
FRD 29C Workforce Data disclosures	27
FRD 15E Executive officer disclosures	64-66
<b>Other information</b>	
FRD 10A Disclosure index	70
FRD 25C Victorian Industry Participation Policy disclosures	29
FRD 22H Details of consultancies in excess of \$10,000	30
FRD 22H Details of consultancies under \$10,000	30
FRD 12B Disclosure of major contracts	29-30
FRD 22H Application and operation of <i>Freedom of Information Act 1982</i>	29-30
FRD 22H Compliance with building and maintenance provisions of <i>Building Act 1993</i>	28
FRD 22H Statement on Competitive Neutrality Policy	29
FRD 22H Application and operation of the <i>Protected Disclosure Act 2012</i>	29
FRD 24D Reporting of office-based environmental impacts	18-21
FRD 22H Statement of availability of other information	30
SD 5.1.4 Financial Management Compliance attestation	31
FRD 22H General and specific information requirements	1-72
<b>Financial Statements required under Part 7 of the <i>Financial Management Act 1994</i></b>	
SD 5.2 Model Financial Reporting	32-69
SD 5.2 Comprehensive Operating Statement	36
SD 5.2 Balance Sheet	37
SD 5.2 Cash Flow Statement	38
SD 5.2 Statement of Changes in Equity	39
SD 5.2 Accountable Officers' Declaration	33
SD 5.2 Compliance with Australian Standards and other authoritative pronouncements	40
SD 5.2 Compliance with Ministerial Directions	31, 33
SD 5.2 Rounding of amounts	40, 69
<b>Legislation</b>	
<i>Alpine Resorts (Management) Act 1997</i>	8, 28, 40, 42, 52
<i>Building Act 1983</i>	15, 28
<i>Financial Management Act 1994</i>	29, 31, 34-35, 40, 64
<b>Print and design</b>	
FRD 30D Standard requirements for the publication of annual reports	1-72

**Acronyms:** FRD – Financial Reporting Direction; SD – Standing Direction





**FALLS CREEK ALPINE RESORT  
MANAGEMENT BOARD**

PO Box 50, Falls Creek  
Victoria, 3699 Australia

Phone: +61 3 5758 1200

[www.fallscreek.com.au](http://www.fallscreek.com.au)

