



Mt Buller Mt Stirling Alpine Resort Management Board

**2020
Annual
Report**



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ACCOUNTABLE OFFICER'S DECLARATION

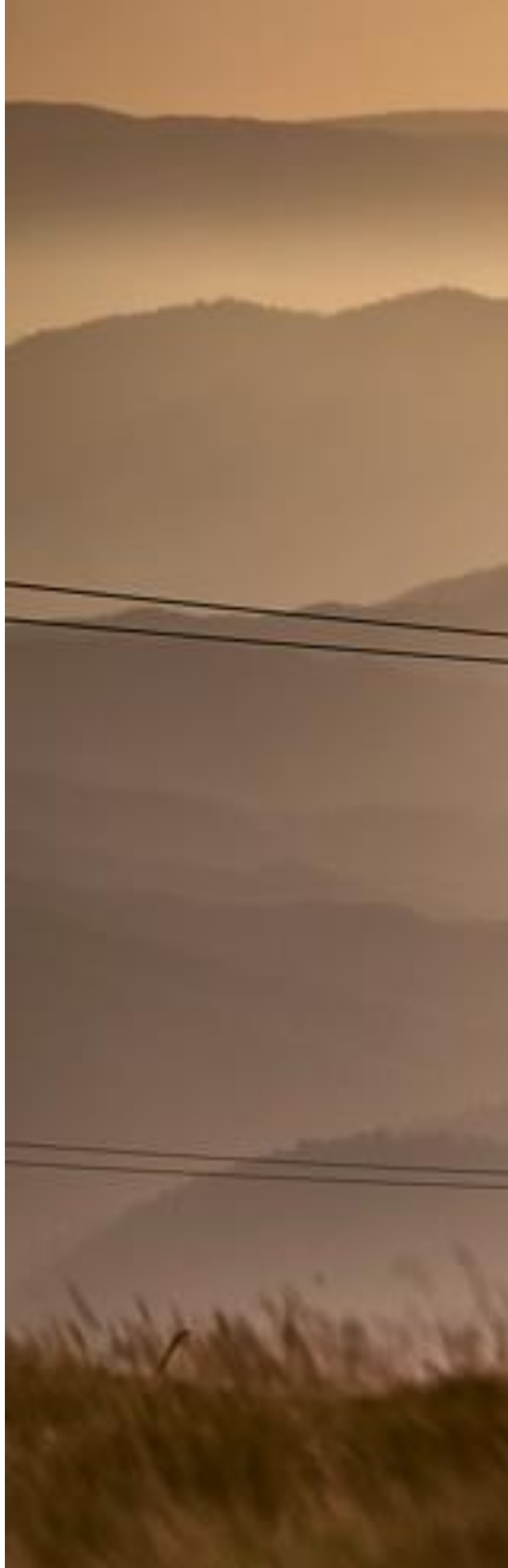
In accordance with the *Financial Management Act 1994*, I am pleased to present the Mt Buller and Mt Stirling Alpine Resort Management Board's Annual Report for the year ending 31 December 2020.



Dr. Jacqueline Jennings
Chair
30 April 2021

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BOARD CHAIR REPORT



To put it plainly, 2020 was pretty much an “annus horribilis” for everyone associated with Mt Buller and Mt Stirling.

The bushfires that ravaged Victoria at the start of the year threatened several alpine resorts, and the Victorian Government declared a State of Disaster on 2 January. Mt Buller & Mt Stirling were shut to visitors and mostly evacuated for nearly two weeks, while a core band of CFA members, Buller Ski Lifts staff and RMB staff remained within the resort to prepare and protect it from fire.

The Department of Land, Environment, Water & Planning (DELWP) coordinated the firefighting response from Mansfield including aerial and on-ground crews. Thankfully the resorts didn’t come under attack and their proud history of never having lost a building to bushfire continued. We are deeply grateful to everyone involved. Nevertheless, the fires had a huge impact on summer visitation to regional Victoria, and many of our summer operators suffered significant financial losses from which they are still trying to recover.

Then there was the coronavirus (COVID-19) pandemic. As the impacts of its spread across the globe became clear, there was great uncertainty as to whether the resorts could safely open for the 2020 snow season at all. There was a huge collaborative effort across many parties to develop COVIDSafe plans including the Alpine Resorts Industry Advisory Group (ARIAG), Australian Ski Areas Association, Alpine Resort Management Boards, Lift Companies, DELWP, the Department of Health & Human Services (DHHS), Mt Buller Chamber of Commerce and the Mt Buller RatePayers Association.

The uncertainty meant that snowmaking didn’t commence until much later than usual. This, coupled with low natural snowfall early in the season, meant that the lifts could only start turning for visitors on 24 June 2020. But the COVID controls, capacity constraints and limited runs open severely impacted visitor numbers. The resorts stayed open and some lifts kept turning despite border closures and the Melbourne lockdown, until the government decided that all alpine resorts had to close to visitors on 6 August 2020. That was pretty much when it started to snow heavily, allowing Buller Ski Lifts to run the Bourke Street Express lift for one more day to farewell the season when restrictions were eased. The result was that snow season visitation was down by approximately

90%. This had a devastating impact on all alpine businesses from which it will take years to recover.

We would sincerely like to recognise the efforts of everyone whose work allowed the resorts to open and to have at least part of a snow season.

ARIAG, DELWP and DHHS all helped to establish the conditions under which the resorts could open, and the Victorian Government provided a financial letter of comfort to underwrite RMB operations.

The Chamber of Commerce helped implement accommodation booking guarantees, prepare commercial facilities for COVID operations, encouraged its members to persevere and remain open despite low visitation, and contributed to the ever-changing marketing effort.

The RatePayers Association helped prepare lodges for COVID operations, convinced many members to open despite the challenges, and maintained a high level of timely communications throughout the whole year.

Buller Ski Lifts helped protect the resort during the bushfires, complete construction of the new reservoir, installed additional snowmaking, developed resort and ski-field COVIDSafe plans, implemented purchase guarantees, provided additional public spaces to reduce the impact of capacity constraints, made snow in a cost constrained environment, prepared slopes and ran lifts for 45 days, managed ski-field capacity and social distancing, adjusted marketing programs, and then offered full refunds to people with season lift tickets.

The RMB team maintained water supply during the bushfires, built the new reservoir, developed resort COVIDSafe and capacity management plans, created an in-resort testing and isolation facility in conjunction with the Mansfield District Hospital, implemented contract tracing and temperature checks for all visitors, provided COVIDSafe public facilities, worked with the Mansfield hospital and medical clinics to avoid an outbreak from 4 positive COVID test results within the Shire, and continued to provide all operational services throughout the year.

This collective effort was simply outstanding and will have a lasting positive impact on the attitudes of people thinking about visiting, investing in, or moving to Mt Buller or Mt Stirling for years to come.

And that was perhaps the silver lining of 2020 – a reinforcement that the recent and future success of the Mt Buller & Mt Stirling Resorts has and will come through collaboration and cooperation across all the different groups and entities who have a collective interest and combined responsibility in making Buller and Stirling even better for all visitors, lessees, businesses and residents.

A handwritten signature in black ink, appearing to read 'Dr Jacqueline Jennings'.

Dr Jacqueline Jennings
Chair

CHIEF EXECUTIVE OFFICER REPORT



While it seems a distant memory, the highlight of 2020 was the creation of the new 100ML Boggy Creek Reservoir. This project was nearly 10 years in gestation and required approximately \$2m to develop a viable design and obtain all required environmental and planning approvals. The \$11.3m project to construct the reservoir commenced in October 2019 and it was fully operational by June 2020. This now doubles the amount of water available for snowmaking each year and resulted in Buller Ski Lifts bringing forward its installation of snowmaking on Standard Run, which was also completed before the 2020 snow season. This positions the resort for strong snow seasons in the years ahead.

That good news was overshadowed by the extreme difficulties related to first bushfires and then COVID-19, which had a dramatic impact on resort operations and visitation. Mt Buller & Mt Stirling were required to close to visitors in January due to regional fires which decimated summer visitation. They were then required to close again in August due to Victoria's "second wave" of COVID-19 cases, after a huge amount of work preparing for and then limping through the earlier snow season with the challenges of implementing a COVIDSafe plan and capacity constraints within an alpine environment.

The unprecedented reduction in green and snow season visitation had a massive financial impact on all stakeholders, who were still faced with fixed costs of site rent and service charges, along with their normal gas, electricity, labour and maintenance costs. This was compounded by a severe retraction in the insurance market which reduced the amount of fire coverage available while dramatically increasing premiums at the same time. The Victorian Government's commercial rent relief scheme did provide \$3m in rent relief to qualifying resort lessees, and it was progressively rolling out an alpine resort support package at the end of 2020.

While not a significant issue due to the low visitation, the RMB continued to work on improving visitor transport at Mt Buller. The TravelSafe contracts to provide carpark shuttles, village shuttles and rideshare transfers were assigned to Resource Connect Logistics, a wholly owned subsidiary of the ASX listed Orcoda P/L which provides transport and other logistics. The RMB also extended the range of options available to visitors by issuing licences to Double Black Alpine and Snow Gum Express to provide

private taxi services. The trial of allowing accommodation houses, lodge managers and apartment managers to provide complimentary transfers for their overnight visitors did not occur due to COVID.

While the number of non-compliances has reduced due to improved management in recent years, the Environmental Protection Authority requires an upgrade to the Mt Buller sewage treatment plant to reduce the risk of non-compliances and to allow for future visitation growth by increasing peak capacity by 30%. The upgrade was designed, tendered and contract awarded by December with the expectation that the project will be completed prior to the 2021 snow season. Work also continued on various Ministerial Directions including climate change risk disclosure, training in stakeholder engagement, development of an integrated planning framework, and improvements in asset management.

After close to two years in inception, concepts for extending and improving the Mt Buller Village Square along the lines envisioned in the approved master plan were shared with stakeholders in December with very strong support for many of the different aspects. This will continue to be pursued in 2021 as a key part of making Buller even better. The Victorian Alpine Resorts also worked with Tourism North East on an integrated Victorian Alpine Resorts Visitor Economy Development Plan, identifying the potential for a \$1b p.a. increase in Victoria's Gross State Product through a step change in summer and snow season visitation across all resorts.

Through the second half of the year the RMB put extensive effort into multiple applications for grant funding from the Victorian Government as they became available. These ranged from snowmaking and power upgrades, to roads, buildings, walking trails, viewing platforms, mountain bike trails and environmental programs. Unfortunately these were all unsuccessful other than a \$50,000 grant for an open public shelter in the Mt Buller Village Square that will double as an undercover queuing area for the carpark shuttle, and \$30,000 for a traditional owner mural on the shabby White Bridge retaining wall.

The RMB required a letter of comfort from the Victorian Government to remain financially viable, which obliged the RMB to continue providing core services, minimise expenditure, defer projects and draw down its cash reserves. The RMB's \$5.6m in savings from previous years were all consumed by October 2020, after which it received \$4m in government support for the remainder of the year. While operating expenses were approximately \$4.5m or 26% below plan (excluding additional COVID-19 related costs), the full year result was an operating loss of \$2.0m before government support, due to the very low visitor numbers and the provision of \$3.0m in site rent relief to qualifying Lessees.

Mark Bennetts
Chief Executive Officer

RESORT PROFILE

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

MT BULLER

The Mt Buller Village is a three-hour drive from Melbourne. With approximately 30 commercial operators and 183 leased sites providing around 8,000 beds and a range of food, beverage and entertainment options, the variety and accessibility of Mt Buller make it Victoria's most popular alpine resort.

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

Each year, Mt Buller welcomes approximately 400,000 visitors throughout the winter who generate around 550,000 visitor days, and account for nearly 45% of all visits to Victorian alpine resorts.

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

MT STIRLING

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

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

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

TRADITIONAL OWNERS

The resorts lie in the traditional territory of the Daung wurrung (also spelt Taungarung) language group, which spread across much of the central region of Victoria. Ethnographic sources suggest that this group was composed of nine clans, occupying the Broken, Delatite, Goulburn, Coliban and Campaspe watersheds. The lands around Mt Buller and Mt Stirling appear to have been occupied by the Yowung-illam balug clan of the Daung wurrung.



ENTITY INFORMATION

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

The RMB operates:

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

The object of the Act is to make provision for:

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

FUNCTIONS

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

- plan for the development, promotion, management & use of the resorts;
- develop & promote or facilitate the development & promotion of the resorts;
- manage the resorts in accordance with the Act;
- contribute to the development of the Alpine Resorts Strategic Plan and other strategic planning for alpine resorts as a whole;

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

STATUTORY REPORTING

The responsible Minister during 2020 was The Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change. The Minister is responsible for Crown land management and delegates authority to the RMB to implement government policy in relation to the use and management of the alpine resorts. The RMB accepts directions or guidelines from the Minister regarding its performance and the discharge of its functions, duties or power and reports to the Minister through the Annual Report, Corporate Plan and Quarterly Financial Reports. The RMB also complies with the directions of the Minister for Finance, grants leases in the resort and liaises with DELWP regarding land use and development matters.



YEAR AT A GLANCE

OPERATING REVENUE

(\$000's)	2016 ⁽¹⁾	2017	2018	2019	2020
Gate Entry	5,044	5,930	7,080	7,084	657
Site rental fees	4,518	4,189	4,515	4,608	1,886
Service charges	4,362	3,958	4,042	4,396	4,152
Sale of rights to lease / develop land	293	-	-	-	-
Government operational funding	-	-	-	-	4,015
Government grant funding	219	74	-	3,943	3,684
Fair value of services provided free of charge	-	-	-	87	-
Rideshare revenue	-	-	-	1,170	90
Other revenue	1,153	932	713	814	598
Total revenue	15,589	15,083	16,350	22,102	15,082
Operating expenditure	15,241	14,460	15,106	17,158	13,038
Other economic flows	23	(790)	(36)	(112)	-
Net result	371	(167)	1,208	4,832	2,044

ASSETS

(\$000's)	2016 ⁽¹⁾	2017	2018	2019	2020
Total Assets	172,124	202,827	204,652	211,774	211,905
Total Liabilities	3,071	2,683	2,466	4,756	2,844
Net Assets	169,053	200,144	202,186	207,018	209,061
Assets comprise:					
Land	110,688	106,117	106,117	106,117	106,117
Other non-financial assets	55,508	90,592	91,261	95,678	101,324
Financial assets	5,928	6,118	7,274	9,979	4,664

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

OVERVIEW

The number of snow season visitors was 91% lower than the peak of 2018, which was a bumper snow year. Operating income was \$11.5m (62%) below plan due to low visitation and the waiving of \$3.0m in site rent. Operating expenses were \$4.2m (24%) below plan and included a significant amount of COVID-19 related costs. The resultant operating result was a loss of \$2.0m before government financial support, compared with a planned profit of \$1.3m. The Board finished the year with zero cash reserves, which were required to be drawn down to fund resort operations before requesting any government support.

KEY STATISTICS

	2016 ⁽¹⁾	2017	2018	2019	2020
Tourism - Winter					
Visitor days (Buller)	449,000	583,000	591,000	559,000	77,955
Visitors (Buller)	317,891	403,945	423,169	399,467	38,785
Visitor days (Stirling)	8,000	11,000	14,000	10,000	1,551
Visitors (Stirling)	6,041	8,161	11,280	7,762	1,331
Vehicles	72,825	84,398	88,434	91,934	13,604
Max. natural snow depth (Buller cm)	77	153	156	101	62
Total accumulated snowfall (Buller cm)	265	374	323	356	222
Snowmaking (m ³)	514,200	488,700	376,000	542,000	224,400

Tourism - Summer

Visitors (Buller) ⁽²⁾	102,515	75,881	75,225	89,497	56,916
Visitors (Stirling) ⁽²⁾	57,755	31,002	29,182	43,285	21,384

Tourism - Total

Visitors	484,202	518,989	538,856	540,011	118,416
All season index (non-winter/winter visitors)	49%	26%	24%	33%	195%

Sustainability - Water

Total potable usage (ML)	455	430	378	467	350
Recycled water produced (ML)	-	-	11.5	15	-
Statutory compliance (% of year)	100	98	100	100	88

Sustainability – Energy (RMB)

Renewable energy consumption	n/a	n/a	n/a	n/a	n/a
Electricity greenhouse emissions (CO ²)	2,445	2,689	2,544	2,753	1,987
LPG greenhouse emissions (CO ²)	339	381	348	384	378
Diesel/petrol greenhouse emissions (CO ²)	152	163	180	203	158

Sustainability – Waste

Solid waste (tonnes)	745	731	795	732	270
Total waste to landfill (tonnes)	369	380	435	425	152
Winter waste to landfill (tonnes)	289	303	342	344	109
Winter waste / visitor day (kg)	0.82	0.65	0.58	0.62	1.37
Recyclables diverted from landfill (tonnes)	376	351	360	307	118
Organics diverted from landfill (tonnes)	46	43	37	31	13

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

(2) As determined by the Alpine Resorts Coordinating Council

VISION, MISSION & STRATEGY

VISION

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

STRATEGY

The RMB's strategic plans adopt the directions identified in the Alpine Resorts Coordinating Council's Alpine Resorts Strategic Plan (ARSP). The ARSP 2020-2025 was approved in 2020 and will underpin the development of new Strategic Plans for Mt Buller and for Mt Stirling in 2021. In the meantime, this Annual Report continues to report against the following strategies identified in the ARSP 2012-2017:

- Enhancing the visitor experience and developing resorts;
- Delivering resort services and infrastructure efficiently and accountably;
- Building partnerships;
- Respecting the alpine environment;
- Broadening access opportunities;
- Regulatory reform.

PERFORMANCE MEASURES

The objectives contained within the 2020 – 22 Corporate Plan and performance for 2020 were as follows:

OBJECTIVE	2020 OUTCOME																								
Achieve a trend increase of at least 2% in summer and winter visitor numbers by addressing critical capacity constraints, adding / improving resort attractions and continuing to implement climate change adaptation measures.	Bushfires and COVID-19 resulted in visitation being 40% lower in summer and 90% lower in the snow season compared with 2019. Climate change mitigation actions included completion of the new reservoir, as well as installation of snowmaking on Standard Run and the acquisition of 50 further snow guns as part of the snowmaking partnership with Buller Ski Lifts.																								
Deliver quality infrastructure and operational compliance through robust risk management & governance practices, effective asset management practices, and elimination of non-compliances from the sewage treatment plant.	There were 3 sewage treatment non-compliances and no potable water non-compliances, the same as in 2019. Risk, governance, and asset management practices continued.																								
Provide environmental & resort sustainability through strong environmental management programs, progressing the water security project to increase the supply of potable and snowmaking water, and reducing potable water consumption & environmental impact per visitor.	All environmental programs were delivered. The water security project was approved and completed. Total potable water consumption decreased by over 100ML in 2020 with a total of 350ML used compared with 467ML in 2019. Total waste to landfill decreased from 566 tonnes in 2019 to 178 tonnes in 2020.																								
Develop a performance culture and achieve staff satisfaction of at least 85% satisfied or very satisfied through improved engagement, involvement and empowerment.	Staff satisfaction was 72% based on 26 responses to an optional, anonymous survey of all full time, part time and casual staff. This compared with 79% in 2019.																								
Deliver surpluses of around 5% p.a. by improving efficiency, improving the financial viability of Mt Stirling, and improving the financial viability of Mt Buller over summer.	The dramatically lower visitation, provision of \$3m in site rent relief and additional COVID-19 related costs resulted in the resorts delivering an operating loss of \$2m before government support.																								
Achieve stakeholder satisfaction of at least 85% satisfied or very satisfied through engagement, delivery of effective and efficient services, restoration & maintenance of core infrastructure, and investment in new infrastructure.	Stakeholder satisfaction with the RMB not yet measured but understood to be generally high other than continuing concern about transport services. Asset preservation and restoration program continued as well as investment in new infrastructure: <table border="1" data-bbox="798 1921 1401 2150"> <thead> <tr> <th>Existing</th> <th>\$m</th> <th>New</th> <th>\$m</th> </tr> </thead> <tbody> <tr> <td>Water & sewage</td> <td>\$0.5</td> <td>Water project</td> <td>\$6.4</td> </tr> <tr> <td>Roads & carparks</td> <td>\$0.2</td> <td>Roads & carparks</td> <td>\$0.4</td> </tr> <tr> <td>Buildings</td> <td>\$0.2</td> <td>STP Project</td> <td>\$0.4</td> </tr> <tr> <td>Other</td> <td>\$0.1</td> <td>Other</td> <td>\$0.3</td> </tr> <tr> <td>Total</td> <td>\$1.0</td> <td>Total</td> <td>\$7.5</td> </tr> </tbody> </table>	Existing	\$m	New	\$m	Water & sewage	\$0.5	Water project	\$6.4	Roads & carparks	\$0.2	Roads & carparks	\$0.4	Buildings	\$0.2	STP Project	\$0.4	Other	\$0.1	Other	\$0.3	Total	\$1.0	Total	\$7.5
Existing	\$m	New	\$m																						
Water & sewage	\$0.5	Water project	\$6.4																						
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Buildings	\$0.2	STP Project	\$0.4																						
Other	\$0.1	Other	\$0.3																						
Total	\$1.0	Total	\$7.5																						

MISSION

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

VALUES

RMB Directors and staff are required to abide by the seven Victorian Public Sector values which provide the foundation of the integrity and accountability framework for all public sector employees – respect, integrity, impartiality, accountability, responsiveness, leadership, human rights.

ENHANCING VISITOR EXPERIENCE & DEVELOPING RESORTS

Mt Buller & Mt Stirling normally generate an economic contribution of approximately \$480m p.a. to the neighbouring regions and Victoria. Winter is the driver of this economic impact. The RMB's focus is on attracting visitors by leveraging the proximity to Melbourne, extensive snow making facilities, and the broad range of available accommodation, food & beverage, and recreational activities. This was severely impacted in 2020 from a combination of bushfires in January which decimated visitor numbers in the peak summer period, and coronavirus (COVID-19) which decimated visitor numbers throughout the snow season.

BUSHFIRES

Fires in Victoria grew to include much of the east and north east of the State at the start of January 2020, including the alpine resorts. This resulted in Victoria declaring a State of Disaster on 2 January, with people being evacuated from Mt Buller & Mt Stirling and both resorts being closed to visitors until 14 January.



This had a significant impact on visitor numbers during the peak summer period and on businesses who are reliant on these visitors for their livelihood.

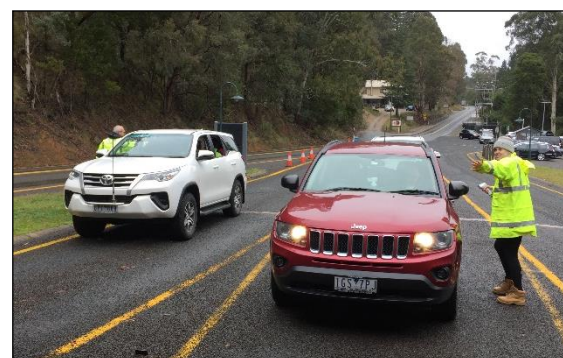
CORONAVIRUS (COVID-19)

In March 2020, the growing coronavirus (COVID-19) pandemic raised questions as to whether Australia's alpine resorts would be permitted to welcome visitors for the 2020 snow season. Representatives from the Australian Ski Area Association, Alpine Resorts Industry Advisory Group and Resort Management Boards worked together with Victorian Government representative from the Department of Environment, Land, Water & Planning, and the Department of Health & Human Services to draft guidelines on managing resort capacity, ski area & lift operations, snowplay & tobogganing, transport, shared (lodge) accommodation, staff accommodation, and equipment rental. This resulted in the Victorian Government releasing its Alpine Activities Guidelines for coronavirus (COVID-19) on 22 June 2020 as the basis on which the resorts could commence the snow season.

At the same time, representatives from Buller Ski Lifts, Mt Buller Chamber of Commerce, Mt Buller RatePayers

Association, and the Resort Management Board worked on steps to allow safe snow season operations and to provide comfort to people considering buying a season pass or making a holiday booking. These included:

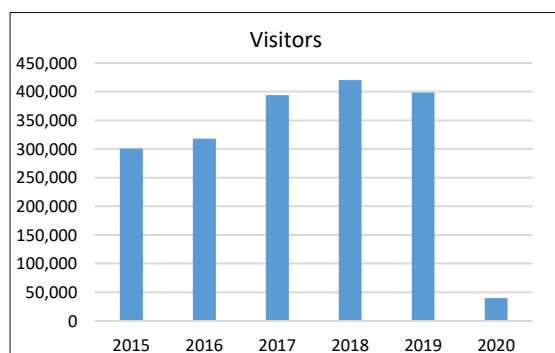
- A guarantee that people would get full refunds on resort entry, parking, lift tickets and accommodation if they were unable to visit because they or another person travelling with them contracted COVID-19.
- A public policy that people who had already purchased season passes for resort entry or lift tickets would receive a full refund if there was no 2020 snow season.
- Development of a resort wide COVIDSafe Plan as well as plans at a business or property level, in accordance with the Victorian Government guidelines.
- Implementation of capacity management and queuing controls within the carparks, day visitor buses, overnight visitor RideShare vehicles, ski lifts and public buildings. This included signage, removing seating from public areas to achieve density quotients, creating additional indoor spaces for visitors to sit, limiting the number of lift tickets available on any given day based on the weather and expected demand from season pass holders, requiring people to book resort entry online prior to arrival, capping and publicly displaying the number of carparking spaces available on any given day so as to avoid allowing an unsafe number of visitors within the resort, and employing additional staff to monitor compliance.
- Implementation of the Whispir system for visitors and others within their vehicle to receive a QR code prior to arrival, and to use this code to quickly register when entering the resort and at any participating food & beverage outlets.
- Additional cleaning of public facilities and amenities to minimise the risk of virus transmission.
- Temperature testing at resort entry so that no one with a temperature above 36.5°C could enter the resorts.



- Implementation of an on-mountain COVID-19 testing and isolation facility in conjunction with the Mansfield Community District Hospital, for testing any visitors or staff who were either symptomatic or asymptomatic but recommended for testing.

Thankfully, these steps, coupled with actions by other resort stakeholders as well as other steps across Victoria resulted in no positive cases being recorded within Mt Buller or Mt Stirling during 2020.

However deferred snowmaking due to uncertainty over whether there would be a season, government lockdowns within Melbourne, closure of the Victoria / NSW border, and the government direction to close the resorts to all visitors from 6 August 2020 had a huge impact on visitation. As a result, there were only 38,785 visitors to Mt Buller and 1,331 to Mt Stirling during the 2020 snow season, which was 90% and 83% respectively lower than in 2019. This resulted in enormous financial pressure on the RMB and all resort stakeholders.



CLIMATE CHANGE

Climate change is a global challenge affecting all facets of society. The RMB is acutely aware of these challenges and has been taking many steps to mitigate and adapt to the changing climate for a long time. The RMB also has a role in assessing, managing, and overseeing climate-related risks and opportunities and disclosing them in accordance with the principles include in the G20 Financial Stability Board's Taskforce on Climate-related Financial Disclosures final report.

Total snowfall during the 2020 snow season was similar to the long-term average. However heavy falls at the start of May and then not until mid-August meant there was little natural snow for the traditional start to the season on the Queen's Birthday weekend. The resorts' recent investment in two snow factories was instrumental in allowing Mt Buller to open for skiing and boarding on 24 June 2020 (12 days earlier than Falls Creek and Mt Hotham) and for lifts to run for 45 days over the season (compared with 4 at Falls Creek and Mt Hotham). The portable snowfactory allowed snow to be made on the Mt Buller village toboggan park so that this activity could be enjoyed from 12 August 2020.

The new 100ML Boggy Creek Reservoir was completed prior to the 2020 snow season, and more than doubles the amount of snowmaking water available at Mt Buller each year. As a result, under its partnership with the

RMB, Buller Ski Lifts completed the installation of snowmaking facilities on Mens Downhill, installed snowguns along the length of the popular Standard Run, and acquired an additional 50 high pressure snowguns for permanent installation around Mt Buller in the coming years. Buller Ski Lifts also installed snow fencing along the left side of the Boggy Creek Reservoir to harvest and reuse snowdrift from this exposed location.

These investments and initiatives have been undertaken to support continued utilisation of the resort through the snow season, in the face of climate related challenges and impacts.

ONLINE SALES

The 20% online discount for resort entry and car parking that was introduced in 2018 continued in 2020. This, plus coronavirus (COVID-19) related messages to book in advance resulted in online sales of 63% compared with 42% in 2019 and 36% in 2018. Visitors continued to receive courtesy SMS messages prior to arrival notifying them of chain requirements, but still had to stop at resort entry for coronavirus (COVID-19) verification purposes.

TRANSIT SERVICES

TravelSafe Australia P/L advised the RMB in March 2020 that it would be unable to continue providing contracted snow season transport services at Mt Buller due to the impacts of coronavirus (COVID-19). It sought approval to assign its contracts to Resource Connect Logistics P/L (RCL), a wholly owned subsidiary of the ASX listed Orcoda P/L which specialises in transport logistics and services. After considering various options, the RMB allowed this assignment based on a back-to-back agreement with BusFleet Australia to provide all outdoor services (vehicles and drivers) rather than just vehicles as it provided in 2019.

Carpark shuttles and Rideshare transfers were reduced from previous seasons in response to low visitor numbers. The RMB decided not to run the Village Shuttle, due to the risks of virus transmission from wet gear and to reduce operating costs. The Park&Ride service from Mirimbah was also not required to help meet visitor demand. The RMB negotiated a payment of \$0.65m to cover the services provided and in recognition that some services were contracted but not required, which was similar to the minimum fixed annual payment to the previous supplier. The RMB incurred a net transport cost of \$0.7m (Rideshare income less all transport and related staff costs) for the season compared with the budget net cost of \$1.5m.

One of the benefits of the new approach to transport is the ability to introduce competition through new suppliers and services. Three organisations sought and were granted licences to provide private taxi services within the Mt Buller Resort in 2020, and two commenced operation. This additional choice for visitors appeared to be successful despite the trying circumstances, and 3-year extensions were provided to all operators.

GUEST SERVICES

Guest Services staff continued to support and assist guests during the brief 2020 snow season, through a partnership between Buller Ski Lifts and the RMB.

SKI PATROL

During 2020, Ski Patrollers faced the additional challenge of providing on-snow medical assistance within the context of coronavirus (COVID-19). This involved additional training and PPE so that services could be provided while minimising the risk of virus transmission.

Ski patrol at Mt Buller was provided by Buller Ski Lifts as part of their long-term lease of the ski area. Its combination of paid and volunteer patrollers attended 79 incidents in 2020, with 46 of these requiring transfer to the Mt Buller Medical Clinic for further treatment and 1 requiring emergency helicopter transfer to hospital.

Ski patrol services at Mt Stirling were again provided by the RMB, in conjunction with the Mt Stirling Volunteer Ski Patrol Inc. who are an essential part of winter safety and operations. Patrollers attended 1 incident in 2020 compared with 8 in 2019 and 22 in 2018.

BULLER AIR ZONE

The Air Zone did not operate through most of 2020 due to the bushfires early in the year, the low snow season visitation due to coronavirus (COVID-19), and the need to eliminate non-essential expenditure under the Victorian Governments letter of comfort to underwrite continued operation of the Mt Buller and Mt Stirling resorts.

MARKETING

The RMB spent \$601k on marketing in 2020. This was \$188k less than 2019 due to the cancellation of all snow season events and cutbacks in response to coronavirus (COVID-19) travel restrictions throughout Victoria. Most of this program was delivered through the RMB's contracted agreement with Buller Ski Lifts.

RMB expenditure included \$149k to Tourism North East (TNE) as its annual contribution to the Regional Tourism Board and for snow, walking and cycling campaigns. Agreement was reached for TNE to modify and then suspend delivery of a common program to promote midweek snow holidays to Melbournians across all Victorian alpine resorts.

A total of \$58k was also provided in contracted sponsorships including the Bike Buller Festival, the Victorian Interschool Championships, and the Targa High Country Rally (which was deferred until February 2021) – as well as rent revenue forgone from the National Alpine Museum of Australia, and the primary and secondary school annexes who all use areas within the RMB's Alpine Central building free of charge. This was \$26k less than planned due to the late cancellation of the Victorian Interschools due to coronavirus (COVID-19).

The Picnic in the Park event held in February each year was outsourced to a professional events company, Vee Agency, so as to avoid the RMB incurring the operational cost that provides little benefit to the resorts, and to see whether a professional event organiser can turn it into a commercially viable event.

ONLINE / SOCIAL MEDIA STATISTICS

	2017	2018	2019	2020
Unique Website Visits				
Mt Buller Website	985,457	1,100,079	4,969,979	2,709,259
Mt Stirling Website	33,382	32,091	161,634	93,050
Unique App Users				
Mt Buller iPhone App Users	20,822	16,909	30,026	28,547
Social Media Followers				
Mt Buller Facebook	101,000	112,356	121,778	126,244
Mt Buller Instagram	36,000	45,000	54,400	59,300
Mt Stirling Facebook	1,900	2,300	2,757	2,971
Mt Stirling Instagram	912	1,300	1,534	1,774
Bike Buller Instagram	4,600	5,300	5,819	6,166
Bike Buller Facebook	10,500	11,500	11,624	11,781

DELIVERING RESORT SERVICES & INFRASTRUCTURE

The RMB performs a wide range of functions including the provision of Council like services, as well as land management, business & commercial development, and the development and maintenance of resort infrastructure. The RMB recognises the different roles of public and private investment, the interactions and synergies between them and the important role of public investment in supporting private investment.

HEALTH SERVICES

Early in 2020, Medical Rescue P/L advised that changes in the Medicare rules adversely impacted its operating model for running the Mt Buller Medical Centre. It did run the centre during the shortened season under a stringent COVIDSafe plan including bulk billed telehealth consultations, and then withdrew from its RMB contract after the resort closed. While vital for the community and visitors, medical services are not an RMB obligation under the *Alpine Resort (Management) Act 1997* and it would be difficult for Ambulance Victoria to transport every trauma incident to an Emergency Hospital. Therefore, the RMB initiated discussions with the Murray Primary Health Network and Mansfield District Community Hospital on a holistic, effective and efficient solution to address the issue of alpine resort health services.

The RMB continued to provide Ambulance Victoria with an on-mountain base for its vehicle and officers during the snow season. While AV pays utility costs, it does not pay any associated site rent or service charges.

As part of allowing the alpine resorts to open for the 2020 snow season, the Victorian Government implemented COVID-19 testing at Mt Buller through a partnership with the Mansfield District Community Hospital and the RMB. The RMB rented a lodge at a cost of \$30k, for the hospital to use as a testing facility and where on-mountain staff could isolate while waiting their results.

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

LEASING & COMMERCIAL OPERATORS

Lessees on Mt Buller pay a site rental fee to use Crown Land for accommodation, food and beverage, retail or recreational purposes. 183 head leases are administered on Mt Buller including 126 standard alpine leases which recognise the lessee rights to improvements on leased land, and their right to negotiate a new lease prior to expiry.

Mt Stirling has no lessees, but instead allows operations through Commercial Operator Licences. Commercial operators pay a fee to run operations such as horse

riding, dog sleds, cross-country ski lessons and mountain bike shuttles. There were 20 Commercial Operator Licences issued in 2020 compared with 19 in 2019 and 20 in 2018.

Service charges were levied on all leased sites in accordance with Section 13 of the *Alpine Resorts (Management) Act 1997*. Charges for 2020 were based on the 2018 Capital Improved Values issued by the Victorian Valuer General and Mansfield Shire Council. A service charge rate of 0.68% was applied compared with 0.67% in 2019, 0.77% in 2018 and 0.75% in 2017.

Many entities faced enormous financial challenges given the lack of income stemming from the bushfires and coronavirus (COVID-19). A total of 137 entities (commercial head lessees, registered not-for-profit head lessees, those with Commercial Operator Licences and those who rent facilities from the RMB) qualified for rent relief under the Victorian Government's rent relief program, totalling \$3.0m which had to be shared with their qualifying sub-tenants. The Victorian Government also offered several other direct support programs including service charge relief totalling \$1m for 84 qualifying lessees.

SNOWMAKING

This critical activity is enabled through a partnership between the RMB and Buller Ski Lifts to equally share all snowmaking costs including the provision of water, operation of the snowmaking system and maintenance and depreciation on all associated assets. Snowmaking was deferred in 2020 given doubt over whether there would be a snow season and was then limited to a small number of runs to reduce cost in line with the low level of visitation. As a result, the RMB paid \$605k to Buller Ski Lifts compared with \$783k in 2019.

SNOW CLEARING

The RMB continued to clear snow off the 15km long Mt Buller Road from Mirimbah to the Mt Buller Village, the 9km Mt Stirling Road to TBJ, the 4km of roads around the Mt Buller village, and the various day and overnight carparks. Staff were rostered according to forecast visitation and snow conditions, and a total of 1,070 hours were spent on this activity (compared with 2,200 in 2019) at a total cost of \$212k (compared with \$410k in 2019). The hire of one loader was also deferred until well into July to reduce costs.

SNOWPLAY PARKS

The RMB only opened one of its two snowplay parks at Mt Buller and one at Mt Stirling during the 2020 snow season. The Mt Buller park only opened on 11 August due to low snowfall, with the portable snow factory required on the Bourke Street ski run for much of the shortened season.

WATER SECURITY PROJECT

After more than 10 years of planning and preparation, in October 2019 work finally commenced on the long awaited and critically important Water Security Project. The new 100ML Boggy Creek Reservoir, pipelines, pumping stations and watering system to preserve the neighbouring and sensitive alpine bogs reached practical completion in May 2020, with minor remaining works to be completed prior to the 2021 snow season. This will now provide Mt Buller's potable and firefighting water during summer while doubling the quantity of water available for snow making. The project cost of \$11.3m was partly funded by a \$7.5m grant through Regional Development Victoria and was on top of approximately \$2.5m previously spent by the RMB on exploration and design as well as environmental and planning approvals.

WATER

The RMB supplied drinking water to Mt Buller, Mirimbah and Telephone Box Junction, which was managed in accordance with the *Safe Drinking Water Act 2003* and treated using combinations of filtration, chlorination and ultra-violet disinfection. 350ML was withdrawn from Boggy Creek compared with 467ML in 2019. This difference was due to reduced snowmaking in 2020 offset by completion, testing, and filling of the new 100ML Boggy Creek Reservoir. No wastewater was recycled into snowmaking water through the water recycling plant to reduce operating costs. Water quality was monitored in accordance with the resorts' Safe Drinking Water Risk Management Plan. Potable water at Mt Buller was subject to an advisory notification from 03/04/2020 to 24/04/2020 due to turbidity from silt entering Burnt Hut Reservoir.

WASTEWATER

The RMB maintained and operated the sewage treatment plant on Mt Buller, septic systems at Mirimbah and Telephone Box Junction, and pit / tank toilets across Mt Stirling in accordance with a detailed monitoring program which aims to minimize disturbance on water quality within local streams. There were 3 non-compliances in 2020, compared with 3 in 2019, 4 in 2018, 8 in 2017 and 9 in 2016. The EPA was notified of each instance and measures were taken to address the root cause in each case.

The RMB finalised the design of an extension to the Mt Buller sewage treatment plant as required by the EPA. This will accommodate a 30% increase in peak visitation, further reduce the risk of non-compliant output, and increase the amount of water that can be recycled for use in snowmaking. The \$5.9m project was approved and commenced in December 2020, so that the majority of works can be completed prior to the 2021 snow season.

WASTE COLLECTION & RECYCLING

Reduction of waste to landfill and increasing recycling are core RMB objectives, in partnership with the waste contractor 4SITE Australia P/L and the North-East Waste & Resource Recovery Group. Lower visitor numbers in 2020 resulted in significantly less waste. Waste to landfill

collected during winter was 109 tonnes compared with 344 tonnes in 2019 and 342 tonnes in 2018. The percentage of waste recycled was 44%, 42% and 46% in 2020, 2019 and 2018 respectively.

Illegal dumping continued to be a problem with a disappointing number of contractors, lessees and lodge members dumping paint, building materials, electrical equipment, furniture and snow equipment in the rubbish huts. This perennial problem continued despite repeated stakeholder communications, and resulted in the RMB having to pay to remove the rubbish. New signs were installed on all huts to remove the usual excuse of people being unaware.

CARPARKS

Carparking capacity has been a chronic issue at Mt Buller for many years, exacerbated by increasing visitation. This was not an issue in 2020 due to coronavirus (COVID-19) and low snowfall, which meant there was a very low number of visitors. The CornHill Road carpark developed in 2019 received its initial sealing prior to the 2020 snow season, with a further layer to be installed prior to the 2021 season. The associated helipad to allow emergency and air ambulance access during summer and winter remained unsealed pending planning approval.

ASSET RESTORATION

The RMB continued its focus on restoring and preserving core assets but deferred several items to reduce expenditure in 2020 to \$1m compared with the plan of \$2.21m. There was expenditure of:

- \$176k on roads and carparks;
- \$322k on sewage assets;
- \$223k on RMB buildings;
- \$181k on potable water assets and hydrants;
- \$98k on tracks and trails
- \$5k on systems.

NEW ASSETS

As well as the new reservoir, expenditure on development for new assets included \$166k on designing an upgraded sewage treatment plant, and \$68k on progressing the Mt Buller masterplan for the Village Square. Other expenditure was deferred, resulting in expenditure on new assets being \$575k lower than plan.

EMERGENCY MANAGEMENT

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

BUILDING PARTNERSHIPS

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

STAKEHOLDER ENGAGEMENT

An extensive range of stakeholders worked closely with the RMB through a wide range of meetings, workshops, focus groups and conversations during 2020 including:

- Alpine Resorts Coordinating Council
- Apartment owners
- Buller Ski Lifts
- Business & commercial operators
- District communities
- Educational authorities & organisations
- Emergency services including Ski Patrol
- Environmental interest groups
- Industry groups
- Land and property developers
- Mansfield Shire Council
- Mt Buller Chamber of Commerce
- Mt Buller Ratepayers Association
- Mt Stirling Stakeholder Group
- Neighbouring land management authorities
- North East Victorian Regional Waste Management Group
- Olympic Winter Institute of Australia
- Other Victorian alpine resorts
- Recreational groups
- Regional Roads Victoria
- Residents
- Ski clubs
- State Government of Victoria
- Stirling Experience
- The Taungurung Clans Land and Waters Council
- Tourism North East Regional Tourism Board
- Victorian National Parks Association
- Visitors & guests

BULLER INTERSCHOOL ASSOCIATION

The RMB, Buller Ski Lifts, Mt Buller Chamber of Commerce and Mt Buller Rate Payers Association continued to collectively contribute funds to make the Victorian Interschools Snowsports competition one of the most accessible events of its type in the world. Despite planning and preparations over several months, Snow Australia (the event owner) had to cancel the 2020 competition at late notice due to COVID-19.

DESTINATION MARKETING

Integrated destination marketing continued to be delivered through an RMB contract with Buller Ski Lifts, covering Mt Buller and Mt Stirling in the white and green seasons. This was supported by a Marketing Committee comprising members of the RMB, Buller Ski Lifts, Mt Buller Chamber of Commerce (of which Stirling

Experience is a member) and the Mt Buller Ratepayers Association, to help shape and monitor the development and delivery of marketing strategies and programs.

LOCAL AND REGIONAL AUTHORITIES

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

The connection with Mansfield Shire continued to strengthen through a shared focus on regional tourism, regional accommodation, bushfire recovery and emergency management.

MAJOR STAKEHOLDER GROUPS

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

NATIONAL ALPINE MUSEUM OF AUSTRALIA

A new 5-year sponsorship agreement with the National Alpine Museum of Australia commenced early in 2020, although the agreed improvements and extensions to the museum in the Alpine Central building were deferred due to low visitation and the need to reduce RMB expenditure. The RMB agreed that instead of opening the museum through the 2020 snow season, NAMA could focus on increasing the number of items publicly available through the museum's online catalogue.

OLYMPIC TRAINING CENTRE

The Olympic Training Centre at Mt Buller is underpinned by a partnership between the RMB, Buller Ski Lifts, Olympic Winter Institute of Australia (OWIA), and Snow Australia, and provides accommodation and training facilities for Australia's aerial and mogul skiers. The OWIA has also constructed a water jump in Queensland so that Australia's premium aerialists can train on the trampolines at Mt Buller, then the water jumps, and then return to Mt Buller to train on the snow.

SPONSORSHIP

The RMB continued to provide sponsorship support in the form of a financial contribution, rent waiver or goods in kind to help bring events, activities, and visitors to the resorts. Recipients included the Bike Buller Festival, Buller Interschools Association, Disabled Winter Sports Australia, Mansfield Primary School, Mansfield Secondary School, Mansfield Hospital, Mt Buller Education, Mt Buller Race Club, National Alpine Museum of Australia, Targa High Country, Team Buller Riders, Victorian Down Hill Mountain Bike Series, and the Winter Olympic Institute of Australia.

TARGA AUSTRALIA

Targa Australia found that due to coronavirus (COVID-19), it was unable to proceed with the Targa High Country event in early November as planned. The event was rescheduled to early February 2021.

VICTORIAN ALPINE RESORTS

The RMB continued to collaborate with its counterparts at Falls Creek, Mt Hotham, Mt Baw Baw and Lake Mountain in 2020 on COVIDSafe guidelines, policies, common marketing program, alpine leasing reform, lease approval process, emergency management, rent relief, business support, integrated planning, and Ministerial Directions.

TAUNGURUNG LANDS AND WATER COUNCIL

2020 was the fifteenth year of RMB connection and collaboration with the Taungurung Clans first nations people. Under the second National Landscapes Program (2019 – 2022) with the Goulburn Broken Catchment Management Authority and the Taungurung Clans Land and Water Council, indigenous participation continued in several vital land management and conservation tasks including Mountain Pygmy-possum and Bogong Moth monitoring, pest plant and animal control and revegetation and habitat restoration projects. This follows the successful delivery of the first National Landscapes Program from 2015 – 2018.

VISITOR EXPERIENCE TEAM

The Visitor Experience Team continued in 2020, comprising representatives from the RMB, Buller Ski Lifts, Buller Holidays, Ski Patrol, Orcoda and Victoria Police, who met throughout the snow season to discuss and agree resort capacity based on snowfall and the weather, expected visitor numbers, transport requirements, and other logistical arrangements to deliver the best possible visitor experience.



RESPECTING THE ALPINE ENVIRONMENT

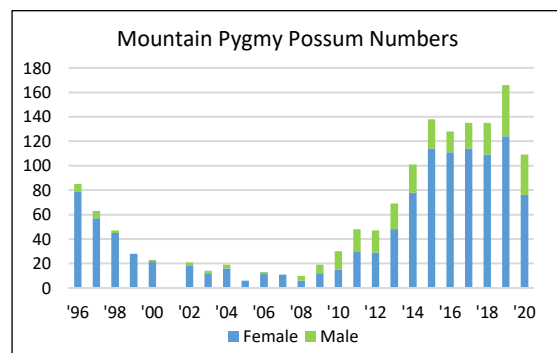
The RMB recognises and values the significance of the alpine environments under its control. This requires a focus on climate change risks, impacts and vulnerabilities and management and enhancement of these natural environments.

ENERGY & RESOURCE EFFICIENCY

The RMB continued to deliver 100% green energy to the Mt Stirling Ski Patrol, Café, Ski Hire and visitor amenities through the microhydro plant commissioned in 2018. In addition, solar powered webcams continued to broadcast real-time snow conditions at Mt Stirling, and solar powered lighting continued to be used at Chain Bay 3 on Mt Buller.

MOUNTAIN PYGMY POSSUMS

The Mountain Pygmy-possum is an endangered species due to habitat degradation, predation, low Bogong moth numbers and climate change. Successful recovery of the species is guided by the Mountain Pygmy-possum Recovery Plan for Mt Buller, the National Recovery Plan and the Operational Contingency Plan (developed in 2019 in response to late litter loss associated with low numbers of Bogong moths across the Australian Alps - a key staple for possums). Spring population monitoring in 2020 showed the population experienced a decline of 34% from the previous year, likely due to lower juvenile survival and recruitment as the impacts of low Bogong Moths are realised.



MT STIRLING

Implementation of a tiered action plan continued in 2020 to better protect and celebrate the environmental values of the Mt Stirling summit area and Stirling Tree. Actions included improving education and awareness through social media posts, and updates to signage and the Mt Stirling website, increased ranger presence and connections with visitors, rationalisation of horse-riding trails, and installation of seasonal fencing to protect the summit area and heritage listed Stirling Tree from damage by unauthorised vehicles. The Mt Stirling 2030 Vision document continued to guide strategic management and on-mountain operations.

NATIVE FLORA & FAUNA

RMB staff continued to facilitate the catch and release of small mammals from village buildings using special traps

designed to prevent injury. Snap traps and poison baits are discouraged. Monitoring of threatened species continued including the Mountain Pygmy-possum, Broad-toothed Rat, Mt Stirling Stonefly, and Alpine Marsh Marigold. During 2020, support continued for several environmental research projects including Snow gum dieback caused by Longicorn Beetle infestation, Mt Stirling Stonefly distribution and conservation, and Mountain Pygmy-possum dietary studies.

PEST ANIMAL CONTROL

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

PEST PLANT CONTROL

Orange Hawkweed was monitored from October 2019 to May 2020 within an established quarantine area to minimise risk of spread. Funding assistance from the Department of Jobs, Precincts and Regions continued to enable an intensive surveillance program. Eradication is one step closer with no plants detected during summer '19/'20 after one plant was found in '18/'19 and two in '17/'18. Waterway weeds continued to be targeted and blackberries were sprayed on mountain trails and in the upper reaches of the Delatite River at Mirimbah.

REVEGETATION & REHABILITATION

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

WATER STORAGE PROJECT

The native vegetation offset for the Water Storage Project resulted in improved conservation status for 364 hectares of the Mt Stirling Summit area, coupled with a specialised 10-year management plan of actions to further improve environmental outcomes. Annual reporting against progress in achieving the goals detailed in the Mt Stirling Offset Management Plan are provided annually to DELWP and the Commonwealth Department of Agriculture, Water and Environment.

The Water Storage was constructed with minimal environmental impact and comprehensive long-term and ongoing ecological and surface/ground water monitoring, adaptive management and revegetation and rehabilitation plans in place. Despite strict environmental controls and regular monitoring, significant weather events resulted in some erosion and sediment washing downslope, impacting alpine bog communities below the storage. Relevant authorities were notified of the non-compliances which resulted in two infringements totalling \$25,200 and the development of additional rehabilitation measures.

BROADENING ACCESS OPPORTUNITIES

The *Alpine Resorts (Management) Act 1997* requires the RMB to promote and foster accessibility, regardless of an individual's ability levels or financial resources. Mt Buller & Mt Stirling are only three hours from Melbourne, which provides a great opportunity to encourage visitation from a broader cross-section of its ethnically diverse population of approximately 5.2 million people.

AFFORDABILITY

The 20% online discount for resort entry and car parking was retained in 2020, with the day vehicle price of \$48.00 being only \$3.00 higher than in 2017. The cost of resort entry for an adult bus passenger was \$15.50 in 2020, compared with \$15.80 in 2017. Due to the ongoing effort to encourage overnight stays, the online one-way fare for an overnight visitor using the Rideshare transfer service was \$14.80 compared with \$23.00 in 2017.

CULTURALLY DIVERSE COMMUNITIES

Many people who come to the snow for the first time are looking to play and toboggan, and anecdotal evidence indicates that many of these are families who speak a first language other than English. Multi-lingual and international standard signage and collateral continued to be used throughout the resort to assist those from non-English speaking background.

DISABLED WINTER SPORTS AUSTRALIA

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

EDUCATION

Mt Buller continued to offer several education options for children living on the mountain through the snow season. During term three, 19 students progressed their education through the Mansfield Primary School annexe and 59 through two private tutor-based programs based in the Alpine Central building. The Mansfield Secondary College annexe chose not to operate in 2020 due to COVID.

SCHOOLS (TIMBERTOP & LAURISTON)

Long-standing educational and community school programs continued when permitted in a COVIDSafe way during 2020. Students from the Geelong Grammar School Timbertop Campus participated in the annual wood chop at Mt Stirling to supply wood for refuge shelters during winter. Students from Timbertop and Lauriston Howqua Campus students visited Mt Stirling to continue their outdoor educational and environmental studies.



REGULATORY REFORM

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

MINISTERIAL DIRECTIONS

Following a Ministerially directed business systems review in 2018-2019, the Minister for Energy, Environment and Climate Change issued new directions in 2020 relating to:

- Climate change risk disclosure. The RMB assisted the ARCC in developing standard climate change reporting measures, which the ARCC is expected to finalise in 2021.
- Biodiversity response planning. The RMB continued to implement programs in alignment with Biodiversity 2037 and the Biodiversity Response Planning approach, to preserve and enhance alpine flora and fauna, manage pest plants and animals, and reduce the resorts environmental footprints.
- Stakeholder engagement. RMB staff completed international association for public participation training and applied this in its ongoing and project related engagement program. A new RMB web site was developed to make it easier for Stakeholders to find relevant information and submit feedback.
- Alpine leasing policy. The RMB assisted the ARCC in reviewing and proposing updates to the leasing policy and will further engage with Stakeholders once the government has produced its recommendations.
- Reporting and transparency. Ministerial directions were published on the RMB's web site and updates provided in this Annual Report.
- Shared services. RMB's across the alpine resorts undertook initial work on the costs and benefits of shared services relating to fleet management, emergency management, financial and service planning, asset management and municipal services. Detailed work is required in 2021 to determine whether these shared services are worth pursuing.
- Budget and corporate planning process. The RMB assisted the ARCC in developing an integrated planning framework covering master plans, strategic management plans, corporate plans, and annual reports, which are expected be provided to the Government in early 2021 for consideration.
- The RMB's 2020 Corporate Plan was not formally approved by the Minister and therefore was not published on the RMB web site.
- Asset management. The RMB implemented an asset management policy and governance framework, is following rolling 10-year management plans for most asset categories and uses a common asset management system across the northern alpine resorts. An Asset Management Coordinator has been included in the 2021 budget to help achieve and maintain a rating of 'effective' with the governments' Asset Management Accountability Framework.

- Financial planning. RMB's across the alpine resorts undertook initial work on a standard chart of accounts and an agreed list of services to allow benchmarking across resorts. Detailed work is required in 2021 to determine how this can best occur in a cost-effective manner.
- Service planning. RMB's across the alpine resorts undertook initial work on a common and formal approach to defining demand, priorities, and levels of service. Detailed work is required in 2021 to complete this activity.

STAFF ACCOMMODATION

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

ALPINE RESORTS STRATEGIC PLAN

Throughout 2019, the RMB and community, worked with the Alpine Resorts Coordinating Council to develop a new strategic plan to replace the one that concluded at the end of 2018. This was approved by the Minister in May 2020 and will underpin the development of new or updated strategic management plans for both Mt Buller and for Mt Stirling in 2021.

ALPINE RESORT REGULATIONS

The Alpine Resorts (Management) Regulations 2009 were extended to expire in November 2020 rather than in November 2019 to allow sufficient public consultation in the making of new regulations. The new Alpine Resorts (Management) Regulations 2020 came into force on 17 November 2020.

ORGANISATIONAL STRUCTURE

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

BOARD OF DIRECTORS

Dr Jacqueline Jennings (Chair)

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

Richard Leder (Deputy Chair)

Richard is a partner in the national law firm Corrs Chambers Westgarth and specialises in commercial litigation and in media and defamation law. He is also the Corrs Melbourne office pro bono partner. He serves on several not-for-profit boards including the Royal Children's Hospital Foundation, The Conversation Media Group and Australian Friends of Asha for Slums. He is a lifelong Mt Buller skier and visitor to the region. He and his family are members of the Mt Buller Race Club and he sits on the MBRC Committee.

Michael Monester

Michael is a lawyer, Director and project specialist experienced in many industries and operating environments. He is a Director of several not-for-profits and at Bank First where he chairs the governance and property committees. He is a Fellow of the AICD and a member of the Victorian Planning & Environmental Law Association. He previously sat on the Mt Buller & Mt Stirling Committee of Management, is a Director of Patscherkofel Ski Lodge and a member of the Ski Club of Victoria. He managed and developed ski resorts in Canada and USA and was an Executive Director of Mt Buller Ski Lifts.

Michelle Croughan

Michelle has over 20 years' experience as a local and State Government planner and was previously Manager of Alpine Planning for the Victorian Government. She is a Graduate of the AICD and was an active member of the Victorian Coastal Council. She holds an Honours Degree in Planning and Design at Melbourne University and a Diploma in Business Management at RMIT. Over the last 15 years, Michelle has spent considerable periods of time in ski resorts in Australia and Japan with her family. She is currently employed by the Department of Transport.

Helen Moran

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

Peter Valerio

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

Sue Lebish

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

BOARD COMMITTEES

Risk Audit & Finance Committee (RAFC)

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

Planning, Land Management & Environment Committee (PLEMC)

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

People, Remuneration & Culture Committee (PR&C)

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

Arts, Marketing & Development Committee (AMDC)

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

Water Security Project Control Group (PCG)

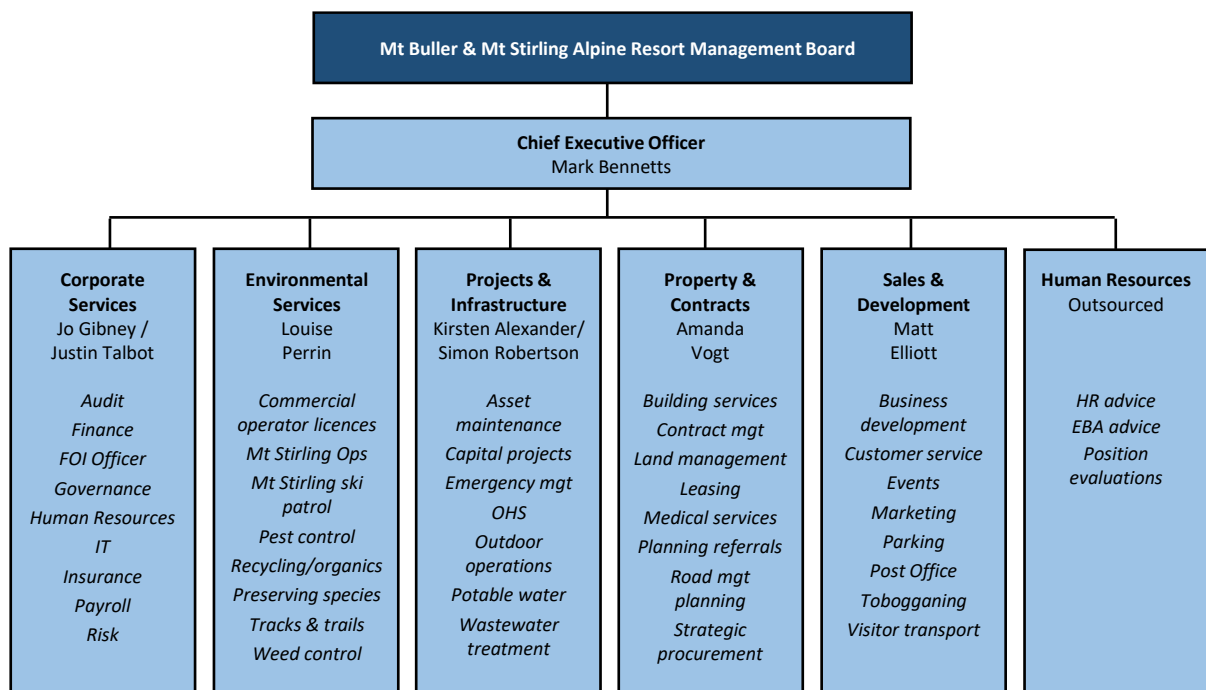
Michelle Croughan (Chair), Mark Bennetts (RMB), Laurie Blampied (Buller Ski Lifts), Kristy Herschell (Regional Development Victoria), Sarah Crute (DELWP), Louise Perrin (RMB), Kirsten Alexander (RMB).
 This committee oversaw the project including contract award, concept design, project plans, expenditure, variations, risks, progress, and reporting related to the government contribution of \$7.5m.

BOARD MEETING ATTENDANCE

Director	Board	RAFC	PLEMC	PR&C	AMDC	PCG
Jacqueline Jennings	8/8	7/7	n/a	3/3	n/a	n/a
Richard Leder	8/8	6/7	n/a	3/3	n/a	n/a
Michael Monester	8/8	2/7	4/4	n/a	5/5	n/a
Helen Moran	8/8	3/7	n/a	3/3	5/5	n/a
Michelle Croughan	8/8	1/7	4/4	n/a	n/a	9/9
Peter Valerio	8/8	4/7	4/4	n/a	5/5	n/a
Sue Lebish	7/8	7/7	4/4	n/a	n/a	n/a

* NB: Helen Moran, Michael Monester, Peter Valerio, Michelle Croughan attended the RAFC meetings as observers.

ORGANISATION STRUCTURE



OCCUPATIONAL HEALTH AND SAFETY

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

INDUSTRIAL RELATIONS

The CEO and the former Projects & Infrastructure Manager were employed under standard OPSER (Office for the Public Sector Executive Remuneration) contracts approved by the Victorian Government. All other RMB employees were employed under the Mt Buller & Mt Stirling Resort Management Enterprise Agreement 2019-20, which was approved by the FairWork Commission during 2020.

OCCUPATIONAL HEALTH AND SAFETY KPI's

	2017	2018	2019	2020
Staff				
Lost Time Injuries	2	3	1	-
Incidents requiring medical attention only	-	3	3	-
Near misses	1	3	23	10
Visitors / Stakeholders				
Incidents reported in areas under RMB control ⁽¹⁾	1	19	51	8
Near misses reported in areas under RMB control	-	-	-	-
WorkCover				
Resolved claims	2	3	2	2
Unresolved claims	-	3	3	1

WORKFORCE DATA

The RMB is committed to merit and equity principles when appointing staff. The selection process includes applicants being assessed and evaluated fairly, equitably and without discrimination. Employees have been correctly classified in workforce data collections. The following table shows the headcount and full-time equivalent (FTE) of active RMB employees as at the last full pay period in December 2020 compared with the same period in December 2019.

	2019					2020				
	Total Staff	Full Time	Part Time	Season Casual	Total FTE	Total Staff	Full Time	Part Time	Season Casual	Total FTE
Gender										
Male	73	21	-	52	27.7	52	22	-	30	23.8
Female	65	14	4	47	21.4	39	15	4	20	18.5
Age										
15-24	21	-	-	21	2.1	9	-	-	9	0.4
25-34	36	11	-	25	12.5	18	11	-	7	9.0
35-44	18	5	2	11	6.4	14	8	2	4	8.6
45-54	23	11	-	12	11.6	20	11	-	9	10.8
55-64	31	8	2	21	14.1	23	7	2	14	12.7
65+	9	-	-	9	2.5	7	-	-	7	0.8
Band										
1	4	-	-	4	0.5	2	-	-	2	0.2
2	68	-	-	68	8.0	29	-	-	29	3.0
3	21	4	-	17	7.8	18	5	-	13	6.5
4	20	10	1	9	11.7	15	8	1	6	9.5
5	7	6	1	-	7.2	7	6	1	-	8.4
6	8	5	2	1	6.5	10	7	2	1	7.7
7A	3	3	-	-	2.1	2	2	-	-	0.8
7B	5	5	-	-	3.3	6	6	-	-	4.5
OPSER	2	2	-	-	2	2	2	-	-	1.7

COMPLIANCE

INFORMATION & COMMUNICATIONS TECHNOLOGY

In 2020 the RMB had a total Information & Communications Technology (ICT) expenditure of \$203k:

Business as usual ICT expenditure	Cost to create or enhance ICT capability		
	Operating	Capital	Total
89	24	90	114

DATA VIC ACCESS POLICY

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

PUBLIC ADMINISTRATION ACT

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

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

PUBLIC INTEREST DISCLOSURES ACT

The *Public Interest Disclosure Act 2012* enables people to make disclosures about improper conduct by public officers and public bodies. It aims to provide openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a public interest disclosure?

A public interest disclosure is a complaint of corrupt or improper conduct by a public officer or a public body. The RMB is a public body for the purposes of the Act.

What is improper or corrupt conduct?

Improper or corrupt conduct involves substantial:

- mismanagement of public resources
- risk to public health or safety or the environment
- corruption.

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

How do I make a Public Interest Disclosure?

You can make a public interest disclosure about the RMB, its board members, officers, or employees by contacting IBAC on the contact details provided below. The RMB is not able to receive protected disclosures.

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

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

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au Phone: 1300 735 135

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

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

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

CONSULTANCIES

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

In 2020, there were 7 consultancies where the total fees payable were \$10k or greater. The total expenditure incurred in 2020 in relation to these consultancies was \$375k (excl. GST).

Details of individual consultancies are outlined on the RMB's website, at www.rmb.mtbuller.com.au.

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

In 2020, there were 12 consultancies where the fees payable were less than \$10k. The total expenditure incurred during 2020 was \$27k (excl. GST).

GOVERNMENT ADVERTISING EXPENDITURE

The RMB spent nothing on government campaign expenditure in 2020.

MAJOR CONTRACTS

The RMB entered one major contract with a value of over \$10 million during 2020, with Orcoda to provide transport services from 2020 – 2024 with two options to extend.

LOCAL JOBS FIRST

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

The VIPP and MPSG policies continue to apply to applicable projects where contracts were entered into prior to 15 August 2018. The *Local Job First Act* in all

projects valued at \$1 million or more, and the MSPG guidelines to all construction projects valued at \$20 million or more that were entered into after 15 August 2018. The RMB commenced one such project for \$3.8m in 2020 being the Mt Buller Sewerage Treatment Plant Upgrade Project, with one principal contractor, Interflow Pty Ltd.

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

- an average of 82.73% local content;
- 10.74 jobs (annualised employee equivalent (AEE)), including 3 new jobs and the retention of 9.58 existing jobs (AEE) in Victoria and 1.6 across Australia.

COMPLIANCE WITH THE BUILDING ACT 1993

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

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

The RMB team is responsible for mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and monthly and annual fire service audits. These inspections inform the annual works program delivered through maintenance contracts. In 2020:

- There were no major works projects undertaken by the RMB on RMB buildings (greater than \$50k);
- There were no building permits, occupancy permits, or certificate of final inspection issued in relation to buildings owned by the RMB;
- There were no emergency orders and building orders issued in relation to buildings owned by the RMB;
- There were no works required to bring RMB buildings into conformity with building standards during the 2020 period.

FREEDOM OF INFORMATION

The purpose of the *Freedom of Information Act 1982* is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by the RMB. This comprises documents both created by the RMB or supplied to the RMB by an external

organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the RMB is available on the RMB website under its Part II Information Statement.

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

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

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

Making a request

Fol requests can be lodged online at www.foi.vic.gov.au. An application fee of \$29.60 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming. Access to documents can also be obtained through a written request to the RMB's Freedom of Information Officer, as detailed in s17 of the Act. When making a Fol request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

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

Freedom of Information Officer
Mount Buller Mount Stirling Resort Management Alpine Central
10 Summit Road
Mount Buller, Victoria, 3723

Fol statistics/timeliness

The RMB received 1 Fol application and made 1 Fol decision during the 12 months ended 31 December 2020.

RISK MANAGEMENT

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

The RMB has a Risk Management policy, appetite, and framework to assist staff to understand their responsibilities. The RMB maintains a risk register that identifies risks to the organisation and those associated

with the use of Crown Land. The register, developed in association with the Victorian Managed Insurance Authority (VMIA), features controls and mitigation strategies and is reviewed on a regular basis.

COMPETITIVE NEUTRALITY POLICY

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

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

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

CAPITAL PROJECTS

The RMB undertook 1 capital project which exceeded the disclosure threshold of \$10 million in the 2020 year. The capital project was the Boggy Creek reservoir totalling \$11.3m.

STAFF BONUSES

No bonuses were paid during 2020.

SUBSEQUENT EVENTS

The Department of Environment, Land Water and Planning (DELWP) has committed to continued support of the RMB until April 2021, and it is understood that this will continue throughout at least the remainder of 2021. On that basis, it has been concluded that the going concern assumption continues.

AVAILABILITY OF OTHER INFORMATION

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

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

The information is available on request from:

Mt Buller Mt Stirling Resort Management

Phone: (03) 5777 6077

Email: info@mtbuller.com.au

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

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



Dr Jacqueline Jennings

Chair

30 April 2021

Mt Buller Mt Stirling Resort Management

Phone: (03) 5777 6077

Email: info@mtbuller.com.au

DISCLOSURE INDEX

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

Legislation	Requirement	Page
Report of Operations		
Charter and Purpose		
FRD 22H	Manner of establishment and the relevant Ministers	6
FRD 22H	Purpose, functions, powers and duties	6
FRD 8D	Departmental objectives, indicators and outputs	6
FRD 22H	Key initiatives and projects	9
FRD 22H	Nature and range of services provided	6
Management and structure		
FRD 22H	Organisational structure	21
Financial and other information		
FRD 8D	Performance against output performance measures	9
FRD 8D	Budget portfolio outcomes	7
FRD 10A	Disclosure index	26
FRD 12B	Disclosure of major contracts	23
FRD 15E	Executive officer disclosures	TOC page
FRD 22H	Employment and conduct principles	9 & 22
FRD 22H	Occupational health and safety policy	22
FRD 22H	Summary of the financial results for the year	7
FRD 22H	Subsequent events	25
FRD 22H	Application and operation of Freedom of Information Act 1982	24
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FRD 22H	Disclosure of government advertising expenditure	23
FRD 22H	Disclosure of ICT expenditure	23
FRD 22H	Statement of availability of other information	25
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FRD 29C	Workforce Data disclosures	22
SD 5.2	Specific requirements under Standing Direction 5.2	TOC page
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	25
SD 5.2.3	Declaration in report of operations	TOC page
Financial Statements		
Declaration		
SD 5.2.2	Declaration in financial statements	29
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	34
SD 5.2.1(a)	Compliance with Standing Directions	34
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Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	31 & 46
FRD 11A	Disclosure of Ex gratia Expenses	62
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel	63
FRD 103H	Non-Financial Physical Assets	57
FRD 110A	Cash Flow Statements	33
FRD 112D	Defined Benefit Superannuation Obligations	41
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	52
<i>Note (a) References to FRDs have been removed from this Index if they don't contain requirements of the nature of disclosure.</i>		
Legislation		
Alpine Resorts Management Act		
Building Act 1993		
Protected Disclosure Act 2012		
Local Jobs Act 2003		
Financial Management Act 1994		
Freedom of Information Act 1982		

OFFICIAL



Independent Auditor's Report

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

<p>Opinion</p>	<p>I have audited the financial report of Mount Buller and Mount Stirling Alpine Resort Management Board (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 December 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration by the Chairperson of the board, Chief Executive Officer and Corporate Services Manager. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<p>Basis for Opinion</p>	<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 authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Board's responsibilities for the financial report</p>	<p>The Board of the authority 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 authority'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>

OFFICIAL

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 authority'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 authority'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 authority 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
6 May 2021



Paul Martin
as delegate for the Auditor-General of Victoria

DECLARATION

Declaration by the Mount Buller and Mount Stirling Alpine Resort Management Board Chairperson of the Board and Accountable Officer's who are the Chief Executive Officer and Corporate Services Manager.

The attached financial statements for the Mount Buller and Mount Stirling Alpine Resort Management Board have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer, under the Financial Management Act 1994 applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 31 December 2020 and financial position of the Mount Buller and Mount Stirling Alpine Resort Management Board as at 31 December 2020.

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

We authorise the attached financial statements for issue on 30 April 2021.



.....
Jacqueline Jennings
Chairperson



.....
Mark Bennetts
Chief Executive Officer



.....
Justin Talbot
Corporate Services Manager

30 April 2021.

COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 31 December 2020		(\$'000)	(\$'000)
	Note	2020	2019
Continuing Operations			
Income from transactions			
Gate entry	2.1	657	7,084
Taxi revenue	2.1	90	1,170
Site rental	2.1.2	1,886	4,608
Service charges	2.1	4,152	4,396
Government grants	2.1	7,699	3,943
Fair value of services received free of charge	2.1.3	-	87
Other income	2.1.1	598	814
Total income from transactions		15,082	22,102
Expenses from transactions			
Employee Expenses	3.1.1	3,933	4,408
Contracted Services, Utilities and Materials	3.1.4	3,623	7,027
Administration & Compliance	3.1.4	1,561	1,496
Marketing & Communications		603	789
Depreciation	4.1.1	3,023	2,816
Interest expense	6.1	21	31
Other Operating Expenses	3.1.5	275	591
Total expenses from transactions		13,039	17,158
Net result from transactions (net operating balance)		2,043	4,944
Other economic flows included in net result			
Net gain/(loss) on other non-financial assets	8.1	-	(112)
Total other economic flows included in net result		-	(112)
Net result		2,043	4,832
Other comprehensive income	8.2	-	-
Comprehensive result		2,043	4,832

BALANCE SHEET

For the financial year ended 31 December 2020

		(\$'000)	(\$'000)
	Note	2020	2019
Assets			
Financial Assets			
Cash and cash equivalents	6.2	1,415	5,565
Receivables	5.1	3,049	4,414
Total Financial Assets		4,464	9,979
Non-Financial Assets			
Inventories	5.3	50	34
Intangibles	5.4	12	12
Prepayments	5.5	362	379
Infrastructure, property, plant and equipment	4.1	207,017	201,370
Total Non-Financial Assets		207,441	201,795
Total Assets		211,905	211,774
Liabilities			
Payables	5.2	1,325	2,590
Borrowings	6.1	418	613
Employee Benefit Provisions	3.1.2	732	684
Contract liabilities	5.6	369	869
Total Liabilities		2,844	4,756
Net Assets		209,061	207,018
Equity			
Contribution by Owner		137,489	137,489
Accumulated Surplus		16,937	14,894
Physical Asset revaluation surplus	8.2	54,635	54,635
Net Worth		209,061	207,018

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020	<i>Physical Asset Revaluation Surplus</i>	<i>Accumulated Surplus</i>	<i>Contributions by Owner</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2019	54,635	10,062	137,489	202,186
Net result for the period	-	4,832	-	4,832
Other comprehensive income for the period	-	-	-	-
Balance as at 31 December 2019	54,635	14,894	137,489	207,018
Net result for the year	-	2,043	-	2,043
Other comprehensive income for the year	-	-	-	-
Balance as at 31 December 2020	54,635	16,937	137,489	209,061

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

CASH FLOW STATEMENT

For the financial year ended 31 December 2020

	Note	(\$'000) 2020	(\$'000) 2019
Cash Flows from operating activities			
Receipts			
Receipts from customers		6,642	18,613
Receipts from government		9,294	2,405
Interest received		10	45
Total receipts		15,946	21,063
Payments			
Payments to suppliers and employees		(10,348)	(14,558)
Interest and other costs of finance paid		(21)	(31)
Net Goods and Services Tax paid to the ATO		1	(5)
Total payments		(10,368)	(14,594)
Net Cash Flow from/(used in) operating activities	6.2.1	5,578	6,469
Cash flows from investing activities			
Payments for infrastructure, property, plant and equipment		(9,532)	(6,370)
Proceeds from sale of property, plant and equipment		-	4
Net cash from/(used in) investing activities		(9,532)	(6,366)
Cash Flows from financing activities			
Repayment of borrowings		(196)	(186)
Net cash from/(used in) financing activities		(196)	(186)
Net increase/(decrease) in cash and cash equivalents		(4,150)	(83)
Cash and cash equivalents at the beginning of the financial year		5,565	5,648
Cash and cash equivalents at the end of the financial year	6.2	1,415	5,565

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1.1 ABOUT THIS REPORT

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

Its principal address is:

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

These annual financial statements represent the audited general purpose financial statements for the Mount Buller and Mount Stirling Alpine Resort Management Board for the year ending 31 December 2020. A description of the nature of its operations and its principal activities is included in the Annual Report, which does not form part of these financial statements.

The reporting period covered in the financial statements is 1 January 2020 to 31 December 2020.

Basis of preparation

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

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

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

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

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

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

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

The financial statements cover the RMB as an individual reporting entity.

Amounts in the financial statements have been rounded to the nearest \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Refer to Note 8.9 for a style convention guide and explanation of minor discrepancies resulting from rounding.

Compliance Information

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

Bushfire impact

During December 2019 and January 2020 Victoria, New South Wales and South Australia were subject to extreme bushfires which led to wide scale devastation. The bushfires that ravaged Victoria, resulted in the alpine resorts being forced to close to the public in January 2020.

The effect of the bushfires on local businesses and those that rely on commercial arrangements with the RMB for their livelihood was severe. Many of the summer commercial operators at the RMB were forced to cease operations during this period. The impact of the bushfires on the RMB was immaterial in a financial sense.

COVID-19 impact

In March 2020, the State Government declared a "State of Emergency" as a result of the COVID-19 global health pandemic. The state government implemented a number of measures to reduce the spread of the virus. These measures included, but were not limited to non-essential travel bans, state-wide lockdowns and state border closures. The measures taken have greatly impacted the financial position of the RMB and its stakeholders. The measures implemented have had a significant impact on the operating and economic environment for the RMB which led to restrictions on the ability of the RMB to trade. Specific impacts are outlined in throughout these Financial Statements. Due to the COVID-19 pandemic induced restrictions, resort entry remained open for 121 days during 2020. However, ski lifts were only operational at the resort for a period of 45 days resulting in a significant decrease in revenue. The Board reduced its transactional expenditure excluding costs related to welfare and safety, wherever possible to assist in offsetting the loss in revenue.

The uncertainty and challenges caused by COVID-19, including the likelihood of unplanned events, ongoing reduction in revenue earnings and the uncertain duration of the current environment have resulted in managerial assessment and forecasts as to future business expectations.

It has been necessary throughout the pandemic for the RMB to make managerial estimates and forecasts as to the likelihood of returning visitors, revenue and expenditures. It is anticipated that revenue earnings will be significantly lower in 2021 due to travel restrictions, the economic climate and decreased consumer confidence and sentiment. The impact of the pandemic is expected to continue to have significant impacts on the RMB's revenue.

The RMB has submitted and continues to submit, regular forecast and cash flow updates to DELWP and the responsible minister reflecting the changing operating circumstances for the RMB as a result of COVID-19. The RMB continues to monitor the financial and non-financial impacts of COVID-19 on its operations and cash flow and has put in place appropriate mitigation strategies such as substantially reducing non-essential operating and capital expenditure. As of 31 December 2020 the RMB had received \$4.0m in operational funding support from the State.

During 2020, the State also provided a rent relief stimulus package to lessees of the RMB. The impact of this program decreased the revenue received for site rent by \$3m (16%).

The Board has met regularly and continues to do so, to deliberate the response to the negative impacts of COVID-19 pandemic and to mitigate risks to the RMB. The RMB continues to work with DELWP through this pandemic.

However, due to the continuing nature of the pandemic and the material uncertainty that exists, it is not possible to quantify the full economic impact at present. The State has provided to the RMB and its directors a letter of financial support for the period to 30 April 2022 to confirm that financial assistance will be made available for the entity to continue as a going concern. The conditions of the letter of support are as follows:

- All necessary steps must be taken to minimise expenditure, including deferring discretionary internal projects, while maintaining core activities.
- Retaining existing permanent staff, including the consistent application of the VPS guidance note for coronavirus (COVID-19) and any subsequent policies determined by the Victorian Government.
- Drawing down on existing funding sources, including uncommitted cash reserves and liquidating tradeable equity investments (unless significantly disadvantageous).
- Information to support the application of these conditions and any funding requests is provided to Department of Land, Environment, Water and Planning (DELWP) and the Department of Treasury and Finance as requested.

The RMB has met and continues to meet all conditions associated with the provision of the letter of financial support.

On the basis that the RMB continues to work closely with DELWP to ensure that appropriate funding is available to continue its operations until normal trading activities can be resumed, and with the confirmation of financial support from DELWP to meet its current and future obligations as and when they fall due for the period up to April 2022, the financial statements have been prepared on a going concern basis.

1.2 SUBSEQUENT EVENTS

The RMB's were notified on Monday 22 March 2021 by the Hon. Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change of the Victorian Government's intention to merge the four existing Alpine Resort Management Boards (ARMBs), Mount Hotham ARMB, Falls Creek ARMB, Mount Buller and Mount Stirling ARMB and the Southern ARMB, into a new statutory body corporate to be known as Alpine Resorts.

The Minister has stated that the Victorian Government remains committed to supporting on-mountain alpine businesses through a range of packages including the commercial tenancies rent relief scheme, tourism accommodation program, and business support fund. Support will also continue to be provided directly to ARMBs to ensure financial solvency during transition to the new arrangements.

Although the proposed reforms will not take effect until such time as the Victorian Parliament has enacted legislative amendments, the Minister has requested DELWP and ARMBs commence transition planning in consultation with the ARMBs, resort and industry stakeholders, tourism bodies, Traditional Owners and local government with the aim that the new arrangements will commence by 1 July 2022 or at an earlier time if possible.

2. FUNDING DELIVERY OF OUR SERVICES

2.1 Income from transactions

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

Gate entry

Gate entry revenue is recognised at point of entry. The performance obligation is satisfied when the customer enters the resort and obtains control of the service. Revenue related to season access passes received in the period in advance of the period to which the season pass relates to is recognised as a liability and released as income in the period to which the season pass relates.

Due to the extensive travel restrictions imposed in response to the COVID-19 pandemic, the RMB took the decision to refund customers who had purchased village and season passes for the 2020 snow season. The value of the refunded village and season passes was \$1.05m.

Taxi Revenue

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

Due to the travel restrictions imposed on visitors in response to the COVID-19 pandemic, the value of taxi revenue generated in 2020 was significantly reduced.

Service charges

Service charges are payable under Section 13 of the *Alpine Resorts (Management) Act 1997*. Service charge revenue is brought to account over time as performance obligations are met, with performance obligations being met over the period to which the service charge levy relates. A service charge infrastructure fee is also levied upon site holders where development or redevelopment leads to an increased number of beds. This is levied upon completion of the development.

Government Grants

The RMB has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations. These are accounted for as revenue from contracts with customers in accordance with AASB 15.

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

Where performance obligations are satisfied over time, generally the input methods, being either costs or time incurred, are deemed to be the most appropriate methods to reflect the transfer of benefit. Grants received in advance of performance obligations being satisfied are deferred on the balance sheet as a contract liability (refer to note 5.6).

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, are recognised when the RMB has an unconditional right to receive cash which usually coincides with receipt of cash.

Grant transfers received to enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity are accounted for under AASB 1058. The initial transfer received is recognised as a 'deferred capital grant

revenue' liability (refer to note 5.6), which is released to profit or loss as income over time as the entity satisfies the performance obligation under the transfer. In most cases the performance obligations are deemed to be met in line with the stage of completion of the underlying non-financial asset.

	(\$'000)	(\$'000)
	2020	2019
Government Grants		
Operating Grants under AASB 15	6	97
Operating Grants under AASB 1058 (DELWP)	4,024	-
Capital Grant under AASB 1058	3,669	3,846
	7,699	3,943

Sale of right to release and develop Crown land

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

No contract assets have been recognised as of 31 December 2020 (2019: Nil).

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

2.1.1 Other Income

	(\$'000)	(\$'000)
	2020	2019
Operating Income under AASB 15		
Marketing Revenue	26	119
Interest Income	10	73
Gas Income	57	84
Other Income	505	538
	598	814

Marketing Revenue

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

Interest

Interest income is recognised using the effective interest rate method, which allocates the interest over the relevant period.

Other Income

Other income includes miscellaneous commissions, consent fees, licence fees and miscellaneous rental. These revenue items are recognised when the performance obligation is satisfied, being when the goods or services have been provided.

2.1.2 Leases

RMB as lessor: Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Crown land – Site rental

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

Due to the COVID-19 pandemic, the Victorian Government provided a site rent relief business support package for rent due in 2020. The impact of this package adversely affected the revenue generated from site rent.

Gas network

The right to operate the LP Gas system was licensed to Indigo Shire Council.

The RMB has retained the majority of the infrastructure assets associated with the delivery of gas to the site holders on the mountain. In 2013 the RMB has extended the lease to use these assets to Indigo Shire Council for ten years and will

receive 3% of Gross revenue from the sale of gas during the period of the lease. The lease contains provisions for further ten year options. All assets remain the property of the RMB at the conclusion of the lease period. The RMB maintains the risks and rewards of the related assets and classifies the leases as operating leases. Gas income is brought to account in line with the provision of gas to relevant customers.

	(\$'000)	(\$'000)
	2020	2019
Non-cancellable operating lease income		
Site rent	1,886	4,608
Gas income	57	84
	1,943	4,692

	(\$'000)	(\$'000)
	2020	2019
Non-cancellable operating lease receivables		
Not longer than 1 year	4,596	4,502
Longer than 1 year and not longer than 5 years	15,651	14,905
Longer than 5 years	67,635	62,805
	87,882	82,211

2.1.3 Fair value of services received free of charge

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

	(\$'000)	(\$'000)
	2020	2019
Volunteer Ski Patrol services	-	7
Volunteer Mountain Pygmy Possum monitoring services	-	80
	-	87

As a result of COVID-19 volunteers were unable to participate in Ski Patrol services at Mt Stirling or the Pygmy Possum monitoring services due to the travel restrictions in place at the time these services are normally provided.

3. EXPENSES INCURRED IN DELIVERY OF SERVICES

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

	(\$'000)	(\$'000)
	2020	2019
3.1.1 Employee benefits in the comprehensive operating statement		
Superannuation expense	317	346
Salaries, wages, annual leave and long service leave	3,502	3,991
Other employee benefits	83	70
Termination benefits	31	-
Total employee expenses	3,933	4,408

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

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

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The RMB recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to

encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.1.2 Employee benefits in the balance sheet

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

	(\$'000)	(\$'000)
	2020	2019
Current provisions:		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	250	182
Unconditional and expected to settle after 12 months	24	18
<i>Long Service Leave entitlements</i>		
Unconditional and expected to settle within 12 months	14	15
Unconditional and expected to settle after 12 months	328	331
<i>Other Employee Benefits</i>		
Accrued day off (ADO) entitlements	21	16
Employee bonus entitlements	-	14
	<hr/>	<hr/>
	637	576
Provision for on-costs		
Unconditional and expected to settle within 12 months	9	9
Unconditional and expected to settle after 12 months	13	16
	<hr/>	<hr/>
	22	24
	<hr/>	<hr/>
Total current provisions for employee benefits	659	600
Non-current provisions:		
Employee benefits		
Conditional long service leave entitlements	70	81
On-costs	3	4
	<hr/>	<hr/>
Total non-current provisions for employee benefits	73	84
	<hr/>	<hr/>
Total provision for employee benefits	732	684
	<hr/>	<hr/>
	(\$'000)	(\$'000)
	2020	2019
Reconciliation of movement in on-cost provision		
Opening Balance	28	23
Additional provisions recognised	7	16
Reductions arising from payments/other sacrifices of future economic benefits	(10)	(11)
	<hr/>	<hr/>
Closing Balance	25	28
	<hr/>	<hr/>
Current	22	24
Non-Current	3	4
	<hr/>	<hr/>
Closing Balance	25	28

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the RMB does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the RMB expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

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

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

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed as a current liability; even where the RMB does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the net result as an 'other economic flow'.

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

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

3.1.3 Superannuation contributions

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

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

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

	(\$'000)		(\$'000)	
	Paid contribution for the year		Contribution outstanding at year end	
Defined Contribution	2020	2019	2020	2019
Vic Super	72	90	10	6
Aust Retirement Fund	45	60	7	5
First Super	32	30	4	3
Host Plus Superannuation	49	59	4	5
Other	119	107	21	20
Total	317	346	46	38

	(\$'000)	(\$'000)
	2020	2019
3.1.4 Expenses from transactions other than employee benefits		
Contracted Services, Utilities & Materials		
Contractors & Contracted Services	1,279	1,596
Transport Services	490	2,897
Utilities	1,010	1,131
Waste Services	305	692
Materials & Maintenance	451	566
Consultants	88	145
Total	3,623	7,027
Administration & Compliance		
Insurance	508	436
ARCC Contributions	384	332
Other Administration & Compliance	669	728
Total	1,561	1,496

Contractors & Contracted Services

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

Transport Services

Transport Services costs relate to the costs incurred with delivering and managing the transport service requirements of the resort. Due to COVID-19, transport costs were agreed by mutual settlement as the full service could not be provided in the 2020 year by the contractor. This was due to visitor restrictions placed on the resort and the number of passengers allowed per vehicle as per government regulations. The costs associated with the expense items above are recognised either when the goods or service have been received, or on the terms agreed in settlement.

Utilities

Utilities costs relate to the usage costs of gas and electricity within the resort. The costs associated with the expense items above are recognised either when the goods or service have been received, or in the terms agreed to in contracts. The utilities costs were higher than expected due to using gas to heat the sewerage treatment plant to maintain optimal temperature.

Waste Services

Waste services costs relate to the costs of delivering waste collection services within the resort. The costs associated with the expense items above are recognised either when the goods or service have been received, or in the terms agreed to in contracts. The waste costs were significantly lower due to the reduction of the number of collections during the snow season from seven to three per week.

Materials & Maintenance, Consultants

Materials & Maintenance, Consultants costs of relate to the costs incurred in delivering services within the resort. The costs associated with the expense items above are recognised either when the goods or service have been received, or in the terms agreed to in contracts. These costs were lower due to reduced requirement within the resort during the COVID-19 pandemic.

Administration and Compliance

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

3.1.5 Other Operating Expenses

Other operating expenses costs include miscellaneous items associated with general operations. The associated costs are recognised when the goods or services have been received. Operating costs in 2020 are lower than in the prior year due to the reduction in non-essential operating expenditure as a result of COVID-19.

Volunteer Services provided to the RMB are recognised as expenditure only when a fair value can be reliably recognised and the services would have been purchased if not donated. These services are recognised at fair value upon the services being provided. Due to COVID-19 restrictions volunteers were unable to participate in activities.

	(\$'000)	(\$'000)
	2020	2019
Other Operating Expenses		
Volunteer Services Cost	-	87
Other Operational	275	504
Total	275	591

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

	(\$'000)	(\$'000)
	2020	2019
4.1 Total, Infrastructure, Property, Plant & Equipment		
<i>Land</i>		
Land at Fair Value – Mount Buller - Village	92,318	92,318
Land at Fair Value – Mount Buller - Other	3,647	3,647
Land under Roads at Fair Value – Mount Buller	7,020	7,020
Land at Fair Value – Mount Stirling	3,132	3,132
Total Land at Fair Value	106,117	106,117
<i>Buildings</i>		
Buildings at Fair Value	23,069	23,053
Less Accumulated Depreciation	(2,322)	(1,544)
Total of Buildings at Fair Value	20,747	21,508
<i>Infrastructure Assets</i>		
Infrastructure - Garbage	264	264
Less Accumulated Depreciation	(70)	(47)
Total Infrastructure - Garbage	194	217
Infrastructure - Gas	1,037	1,037
Less Accumulated Depreciation	(109)	(73)
Total Infrastructure - Gas	928	964
Infrastructure - Mt Stirling	9,800	9,800
Less Accumulated Depreciation	(243)	(160)
Total Infrastructure - Mt Stirling	9,557	9,640
Infrastructure - Sewerage	8,258	8,176
Less Accumulated Depreciation	(703)	(464)
Total Infrastructure - Sewerage	7,554	7,711
Infrastructure - Village Services	3,515	3,193
Less Accumulated Depreciation	(590)	(376)
Total Infrastructure - Village Services	2,926	2,817

	(\$'000)	(\$'000)
	2020	2019
Infrastructure - Water	19,145	8,699
Less Accumulated Depreciation	(661)	(340)
Total Infrastructure - Water	18,484	8,359
Infrastructure - Roads & Carparks	37,211	35,492
Less Accumulated Depreciation	(2,682)	(1,738)
Total Infrastructure - Roads & Carparks	34,528	33,754
Total of Infrastructure Assets at Fair Value	74,171	63,462
<i>Plant, equipment and motor vehicles</i>		
Plant, equipment and motor vehicles at Fair Value	6,022	5,904
Less Accumulated Depreciation	(4,982)	(4,598)
Total of Plant, Equipment & Motor Vehicles at Fair Value	1,040	1,307
Art work at Fair Value	147	147
Capital Work in Progress at Cost	4,797	8,830
Total Infrastructure, Property, Plant and Equipment	207,017	201,370

Initial recognition: All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

The cost of non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

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

Given the nature of the RMB's Infrastructure, property, plant and equipment and the purposes for which they are used, the RMB does not consider that there is any impairment of the carrying value of these assets as a result of COVID-19.

4.1.1 Depreciation and impairment

Charge for the period	(\$'000)	(\$'000)
	2020	2019
Buildings	778	776
Plant, equipment and motor vehicles	384	434
Infrastructure - Garbage	22	24
Infrastructure - Gas	36	36
Infrastructure - Mt Stirling	83	81
Infrastructure - Sewerage	239	234
Infrastructure - Village Services	213	191
Infrastructure - Water	321	178
Infrastructure - Roads & Carparks	946	862
Total depreciation	3,023	2,816

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

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

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

Buildings	15 to 85 years
Infrastructure assets – Garbage	2 to 25 years
Infrastructure assets – Gas	9 to 31 years
Infrastructure assets – Mt Stirling	2 to 36 years
Infrastructure assets – Sewerage	3 to 29 years
Infrastructure assets – Village Facilities	2 to 91 years
Infrastructure assets – Water	2 to 29 years
Infrastructure assets – Water Storage	100 years
Infrastructure assets – Roads & Carparks	3 to 31 years
Plant, equipment and motor vehicles	3 to 30 years

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

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

	Land At Fair Value	Buildings At Fair Value	Infrastructure Assets At Fair Value	Plant, Equipment and Motor Vehicles At Fair Value	Art Works At Fair Value	CWIP At Cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019							
Opening balance	106,117	22,029	63,838	1,712	147	3,143	196,986
Additions	-	-	-	-	-	7,316	7,316
Disposals	-	-	(6)	-	-	(110)	(116)
Depreciation	-	(776)	(1,606)	(434)	-	-	(2,816)
Transfers	-	255	1,237	27	-	(1,519)	-
Closing net book value	106,117	21,508	63,462	1,306	147	8,830	201,370
2020							
Opening balance	106,117	21,508	63,462	1,306	147	8,830	201,370
Additions	-	-	-	-	-	8,671	8,671
Disposals	-	-	-	-	-	-	-
Depreciation	-	(778)	(1,863)	(384)	-	-	(3,024)
Transfers	-	15	12,572	117	-	(12,704)	-
Closing net book value	106,117	20,746	74,171	1,040	147	4,797	207,017

5. OTHER ASSETS AND LIABILITIES

Structure

Receivables	5.1
Payables	5.2
Inventories	5.3
Intangibles	5.4
Prepayments	5.5
Contract liabilities	5.6

5.1 Receivables

	(\$'000)	(\$'000)
	2020	2019
Current Contractual		
Sale of good and services	2,885	4,093
Accrued Investment Income	-	2
	2,885	4,095
Statutory		
GST input tax recoverable	164	319
	164	319
Total current receivables	3,049	4,414

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

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

Doubtful debts: Details of the RMB's impairment policy, exposure to credit risk and the calculation of the expected credit loss allowance are detailed in note 7.1. Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Board has reviewed the carrying value of receivables including payments received subsequent to the end of the financial year, and has determined that there are no receivable impairments to bring to account as a result of COVID-19, or increased expected credit losses. The Board has implemented a hardship policy for tenants. This allows the RMB to agree a repayment plan of outstanding debts over an agreed period of time. In addition, the RMB has the ability to recover defaults against lease re-sale provisions.

Ageing analysis of receivables

(\$'000)	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			1-3 months	3 months - 1 year	Greater than 1 year	
<u>Receivables</u>						
2020	2,885	1,248	1,030	603	4	-
2019	4,095	1,841	2,078	170	6	-

The carrying value of debtors at 31 December 2020 approximates fair value. Interest is charged on overdue site rentals and utility charges at a rate fixed by Section 2 of the *Penalty Interest Rates Act 1983*, which, as at 31 December 2020 was 10% per annum. (2019: 9.5%). Due to COVID-19, the RMB has currently provided an interest concession on overdue balances.

5.2 Payables

	(\$'000)	(\$'000)
	2020	2019
Current Contractual		
Supplies and services	160	388
Accrued expenses	1,030	1,904
Other payables	47	151
	1,237	2,442

Statutory

FBT payable	3	9
Other tax payable	85	139
	88	148
Total payables	1,325	2,590

Payables consist of:

- **Contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid; and
- **Statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

The payables balance in 2020 is lower than in the prior year due to the reduction in non-essential operating expenditure as a result of COVID-19.

Maturity analysis of contractual payables

(\$'000)	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1-3 months	3 months - 1 year	1-5 year	More than 5 years
Payables							
2020	1,237	1,237	211	1,026	-	-	-
2019	2,442	2,442	-	2,442	-	-	-

5.3 Inventories

	(\$'000)	(\$'000)
	2020	2019
Consumables	50	34
Total Inventories	50	34

5.4 Intangibles

	(\$'000)	(\$'000)
	2020	2019
Intangibles	12	12
Total Intangibles	12	12

5.5 Prepayments

	(\$'000)	(\$'000)
	2020	2019
Prepayments (current)	362	379
Total Prepayments	362	379

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

5.6 Contract Liabilities

	(\$'000)	(\$'000)
	2020	2019
Deferred Capital Grant Revenue	31	404
Contract Liability - Land Release	250	250
Other contract liabilities		
Unearned revenue - current	88	215
Total Other Liabilities	369	869

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

	(\$'000)	(\$'000)
	2020	2019
Within 1 year	119	-
From 1 to 5 years	250	26
After 5 years	-	224
	369	250

Deferred Capital Grant Revenue

The Deferred Capital Grant Revenue balance relates to grant funding received for the construction of non-financial assets such as the Water Storage asset, to be controlled by the RMB, for which obligations under the transfer are yet to be satisfied. Grant funding is received as contract milestones are met in line with the underlying grant agreements, whereas revenue is recognised over time of a stage of completion basis. Accordingly, this balance represents the amount of capital grant funding received in excess of the percentage completion of the related capital project. The related capital project for 2020 is the construction of a mountain bike park. The 2019 related capital project was the water storage asset and was completed during the 2020 year.

	(\$'000)	(\$'000)
	2020	2019
Grant consideration for capital works that was included in the deferred capital grant liability balance at the beginning of the year	404	-
Add: Grant consideration for capital works received during the year	31	404
Less: Grant revenue for capital works recognised consistent with the capital works undertaken during the year	404	-
Total Deferred Capital Grant Revenue	31	404

Contract Liability – Land Release

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

	(\$'000)	(\$'000)
	2020	2019
Opening balance brought forward from 31 December adjusted for AASB 15	250	-
Add: Payments received for performance obligations yet to be completed during the period	-	250
Total contract liability – Land Release	250	250

Other contract liabilities

The unearned revenue balance relates to season pass gate entry, grant revenue, site rent and service charges revenue received in advance for which the related services are yet to be provided, accordingly performance obligations are yet to be met. This revenue will be released to profit or loss over time as the related performance obligations are met. The unsatisfied performance obligations in 2019 were expected to be met in the 2020 year. Accordingly these balances are expected to be recognised as income in the 2021 year.

	(\$'000)	(\$'000)
	2020	2019
Opening balance brought forward from 31 December adjusted for AASB 15	215	-
Add: Payments received for performance obligations yet to be completed during the period	88	215
Less: Revenue recognised in the reporting period for the completion of a performance obligation	215	-
Other Contract Liabilities	88	215

6. HOW WE FINANCED OUR OPERATIONS

Structure

Borrowings	6.1
Cash flow information	6.2
Commitments for expenditure	6.3

	(\$'000)	(\$'000)
	2020	2019
6.1 Borrowings		
Current		
Interest bearing loan – La Trobe University (i)	212	212
	212	212
Non-Current		
Interest bearing loan – La Trobe University (i)	206	402
	206	402
Total Borrowings	418	613

Borrowings are classified as financial instruments. All interest bearing liabilities are initially recognised at the fair value of the consideration received; less directly attributable transaction costs. RMB has categorised its interest bearing liabilities as financial liabilities at 'amortised cost'. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

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

RMB Borrowings were made up of:

(i) An interest bearing loan that relates to the deferred settlement with La Trobe University on the acquisition of Alpine Central. The loan is recorded at its net present value at the date of acquisition.

The loan is unsecured. Interest is fixed at a rate of 5.221%; repayments are made annually over 15 years.

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

Maturity analysis of borrowings

(\$'000)	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1-3 months	3 months – 1 year	1-5 year	More than 5 years
Borrowings							
2020	418	418	-	-	212	206	-
2019	613	613	-	25	186	402	-

	(\$'000)	(\$'000)
	2020	2019
Interest expense		
Interest expense	21	31
Total interest expense	21	31

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

6.2 Cash flow information

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash and with an insignificant risk of changes in value.

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

	(\$'000)	(\$'000)
	2020	2019
Reconciliation of cash and cash equivalents		
Cash at bank and on hand	1,415	1,797
Short-term deposits	-	3,768
Balance as per cash flow statement	1,415	5,565

	(\$'000)	(\$'000)
	2020	2019
6.2.1 Reconciliation of net result for the period to net cash flows from operating activities		
Net Result for the period	2,043	4,832
Non-cash movements:		
Depreciation	3,023	2,816
Net (Gain)/Loss on Sale of Fixed Assets	-	2
Impairment of Non-current assets	-	110
Movements in assets and liabilities:		
Decrease/(Increase) in Trade and Other Debtors	1,365	(2,788)
Decrease/(Increase) in Inventories	(16)	1
Decrease/(Increase) in Other Current Assets	17	(33)
Increase/(Decrease) in Payables	(402)	800
Increase/(Decrease) in Current Provisions	59	125
Increase/(Decrease) in Non-Current Provisions	(11)	(39)
Increase/(Decrease) in Other liabilities	(500)	643
Net cash flows from/(used in) operating activities	5,578	6,469

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

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

(\$'000) amounts					Total
	2020	Less than 1 year	1-5 years	5+ years	
Capital expenditure commitments payable ⁽ⁱ⁾		7,236	-	-	7,236
Other commitments payable ⁽ⁱⁱ⁾		5,131	14,291	35,419	54,841
Total commitments (inclusive of GST)		12,367	14,291	35,419	62,077
Less GST recoverable					(5,643)
Total commitments (exclusive of GST)					56,434
	2019				
Capital expenditure commitments payable		6,295	-	-	6,295
Other commitments payable		4,725	15,678	32,190	52,593
Total commitments (inclusive of GST)		11,020	15,678	32,190	58,888
Less GST recoverable					(5,353)
Total commitments (exclusive of GST)					53,535

(i) The above capital expenditure commitments are for works on Capital Projects with the majority in relation to the Mt Buller Sewerage Treatment Plant upgrade of approximately \$5.9m.

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

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Structure

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

7.1 Financial instruments specific disclosures

Introduction

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

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

The following refers to financial instruments unless otherwise stated.

Measurement

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

Impairment of financial assets

Contractual receivables at amortised cost

The RMB applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The RMB has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the RMB's past history and existing market conditions. Based on this assessment management has assessed a nil expected credit loss over contractual receivables at as 31 December 2020 (2019: Nil).

The Board has reviewed the carrying value of receivables including payments received subsequent to the end of the financial year, and has determined that there are no receivable impairments to bring to account as a result of COVID-19, or increased expected credit losses. The Board has implemented a hardship policy which allows the RMB to agree a repayment plan of outstanding debts over an agreed period of time. In addition, the RMB has the ability to recover debts at carrying value against lease re-sale provisions in the event of default.

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

Statutory receivables at amortised cost

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

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit risk rating, risk of default and capacity to meet contractual cash flow obligations on the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised at 31 December 2020 (2019: Nil).

7.1.1 Financial instruments: Categorisation

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

Contractual financial assets	Note	Category	(\$'000)	(\$'000)
			Carrying amount 2020	Carrying amount 2019
Cash and deposits	6.2	Amortised Cost	1,415	5,565
Receivables	5.1	Amortised Cost	2,885	4,095
Total contractual financial assets			4,300	9,660
Contractual financial liabilities				
Payables	5.2	Amortised Cost	1,237	2,442
Interest bearing liabilities	6.1	Amortised Cost	418	613
Total contractual financial liabilities			1,655	3,055

7.1.2 Financial risk management objectives and policies

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

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

The RMB is not exposed to any significant foreign currency risk.

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

Due to COVID-19 and the introduction of a hardship policy, lessees can apply for an extension of payment terms, minimising the risk of default. In cases where an agreement cannot be reached, the RMB has the ability to recover debts via the lease re-sale provisions.

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

The RMB uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Board.

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

Financial instruments: Liquidity risk

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

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

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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

Financial instruments: Market risk

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

Financial instruments: Interest rate risk

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

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

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

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

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

2020 (\$'000)	Weighted average effective interest rate%	Carrying amount	Interest rate exposure			Interest rate risk			
			Fixed interest rate	Variable interest rate	Non- interest bearing	-2% Net result	2% Equity	-2% Net result	2% Equity
Financial assets:									
Cash at bank and on hand	0.10	1,415	-	1,415	-	(28)	(28)	28	28
Short-term Deposits	-	-	-	-	-	-	-	-	-
Receivables	-	2,885	-	-	2,885	-	-	-	-
Total		4,300	-	1,415	2,885	(28)	(28)	28	28
Financial liabilities:									
Payables	-	1,237	-	-	1,237	-	-	-	-
Borrowings	5.22	418	418	-	-	-	-	-	-
Total		1,655	418	-	1,237	-	-	-	-
Total increase/(decrease)						(28)	(28)	28	28

2019 (\$'000)	Weighted average effective interest rate%	Carrying amount	Interest rate exposure			Interest rate risk			
			Fixed interest rate	Variable interest rate	Non- interest bearing	-2% Net result	2% Equity	-2% Net result	2% Equity
Financial assets:									
Cash at bank and on hand	0.10	1,797	-	1,797	-	(36)	(36)	36	36
Short-term Deposits	0.85	3,768	-	3,768	-	(75)	(75)	75	75
Receivables	-	4,096	-	-	4,096	-	-	-	-
Total		9,660	-	5,565	4,096	(111)	(111)	111	111
Financial liabilities:									
Payables	-	2,442	-	-	2,442	-	-	-	-
Borrowings	5.22	613	613	-	-	-	-	-	-
Total		3,055	613	-	2,442	-	-	-	-
Total increase/(decrease)						(111)	(111)	111	111

7.2 Contingent assets and Contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There are 10 claims that have been made against the RMB by visitors. The claims are currently being investigated by insurance assessors. In 2020 the RMB has provided for \$6,000 (2019 \$32,000) of costs in respect to these claims, being the full insurance excess payable in respect to these claims if successful.

There are no other contingent assets or contingent liabilities as at 31 December 2020 (2019: Nil)

7.3 Fair value determination

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

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

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

Fair value hierarchy

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

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

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

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

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

7.3.1 Fair value determination of financial assets and financial liabilities

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

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

Financial assets and financial liabilities are measured at amortised cost.

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

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

(\$'000)

7.3.2 Fair value determination of non-financial assets	Carrying amount as at 31 December 2020	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value				
Non Specialised Land (Non-leased)	390	-	390	-
Specialised land (Leased)	92,318	-	-	92,318
Specialised land (Non-leased)	13,409	-	-	13,409
Total of land at fair value	106,117	-	390	105,727
Buildings at fair value				
Non-specialised buildings	100	-	100	-
Specialised buildings	20,647	-	-	20,647
Total of buildings at fair value	20,747	-	100	20,647
Plant, equipment and vehicles at fair value				
Vehicles	517	-	-	517
Plant and equipment	523	-	-	523
Total of plant, equipment and vehicles at fair value	1,040	-	-	1,040
Infrastructure at fair value				
Infrastructure - Garbage	194	-	-	194
Infrastructure - Gas	928	-	-	928
Infrastructure - Mt Stirling	9,557	-	-	9,557
Infrastructure - Sewerage	7,554	-	-	7,554
Infrastructure - Village Facilities	2,927	-	-	2,927
Infrastructure - Water	18,484	-	-	18,484
Infrastructure - Roads & Carparks	34,529	-	-	34,529
Total of infrastructure at fair value	74,173	-	-	74,173
Cultural assets at fair value				
Artworks	147	-	147	-
Total of cultural assets at fair value	147	-	147	-

(i) Classification in accordance with the fair value hierarchy

Fair value measurement hierarchy for assets as at 31 December 2019

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

(i) Classification in accordance with the fair value hierarchy

There have been no transfers between levels during the period (2019: Nil)

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

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

For artwork, valuation of the assets is determined by a comparison to similar examples of the artists work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. An independent revaluation was performed by Dominion Group (Vic) Pty Ltd on behalf of the Valuer-General Victoria. The effective date of the valuation was 31 December 2017.

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

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

The fair value of specialised non-leased land classified as level 3 is determined using the market approach and is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

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

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

An independent valuation of the RMB's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 31 December 2017.

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

Infrastructure and road infrastructure and earthworks are valued using the current replacement cost method. This cost represents the replacement cost of the asset after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the current replacement cost calculation.

Where it has not been possible to examine hidden works, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the asset. An independent valuation of the RMB's infrastructure and road infrastructure was performed by the Valuer-General Victoria. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation was 31 December 2017.

Vehicles are valued using the current replacement cost method. The RMB acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the RMB who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment is held at fair value. For plant, equipment and motor vehicles, existing depreciated historical cost is generally a reasonable proxy for current replacement cost because of the short lives of the assets concerned.

There were no changes in valuation techniques throughout the period to 31 December 2020.

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

Reconciliation of Level 3 fair value

(\$'000)

2020	Specialised land	Specialised buildings	Vehicles	Plant and equipment	Infrastructure
Opening balance	105,727	21,408	540	766	63,462
Purchases (sales)	-	15	117	13	12,572
Depreciation	-	(778)	(141)	(243)	(1,864)
Subtotal	-	(762)	(23)	(230)	10,708
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing balance	105,727	20,646	517	523	74,171

Reconciliation of Level 3 fair value

(\$'000)

2019	Specialised land	Specialised buildings	Vehicles	Plant and equipment	Infrastructure
Opening balance	105,727	21,929	686	1,026	63,837
Purchases (sales)	-	255	-	27	1,231
Depreciation	-	(776)	(146)	(287)	(1,606)
Subtotal	-	(521)	(146)	(260)	(375)
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing balance	105,727	21,408	540	766	63,462

Description of significant unobservable inputs to Level 3 valuations

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

These significant observable inputs remain unchanged from 31 December 2020.

8. OTHER DISCLOSURES**Structure**

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

8.1 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. There were no ex-gratia payments due to COVID-19.

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

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

Revaluation gains/(losses) of non-financial physical assets: refer to Note 8.2 *Physical asset revaluation surplus*; and

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

Other economic flows included in net result

	(\$'000)	(\$'000)
	2020	2019
Net gain/(loss) on non-financial assets		
Impairment of Capital works in progress	-	(110)
Net gain/(loss) on disposal of physical assets	-	(2)
Total Net gain/(loss) on non-financial assets	-	(112)

8.2 Physical asset revaluation surplus

	(\$'000)	(\$'000)
	2020	2019
Balance of land revaluation surplus at beginning of the financial year	82	82
Revaluation of land	-	-
Balance of land revaluation surplus at the end of the financial year	82	82
Balance of buildings revaluations surplus at beginning of the financial year	12,964	12,964
Revaluation of buildings	-	-
Balance of buildings revaluation surplus at the end of the financial year	12,964	12,964
Balance of infrastructure revaluation surplus at beginning of the financial year	41,589	41,589
Revaluation of infrastructure	-	-
Balance of infrastructure revaluation surplus at the end of the financial year	41,589	41,589
Balance physical asset revaluation surplus at end of year	54,635	54,635

Non-financial physical assets are measured at fair value on a cyclical basis in accordance with the Financial Reporting Directions (FRD's) issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – other comprehensive income' and accumulated in equity under the physical asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant & equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised in 'other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant & equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows – other comprehensive income' reduces the amount accumulated in equity under the physical asset revaluation surplus.

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

8.3 Responsible persons

8.3.1 Who is a Responsible person

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

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

- Lily D'Ambrosio MLA (*Minister for Energy, Environment and Climate Change from May 2016*)
- Jacqueline Jennings, (*Chairman of RMB*) - reappointed 29/03/2018, Chairman from 01/04/2017
- Richard Leder, (*Deputy Chairman of RMB*) - appointed 29/03/2018
- Helen Moran, (*RMB Member*) - appointed 29/03/2018
- Michael Monester, (*RMB Member*) - appointed 29/03/2018
- Michelle Croughan, (*RMB Member*) - reappointed 29/03/2018
- Peter Valerio, (*RMB Member*) - appointed 29/03/2018
- Sue Lebish, (*RMB Member*) - appointed 29/03/2018
- Mark Bennetts, (*Chief Executive Officer*) - appointed 09/06/2017

8.3.2 Remuneration of Responsible Persons

Remuneration received, or due and receivable by Responsible persons from the RMB in connection with the management of the RMB for the financial period ended 31 December 2020 was \$371,897 (2019: \$330,932). The number of responsible persons whose remuneration from the RMB was within the specified bands is as follows:

\$000's	2020	2019
1-10	2	2
11-20	5	5
241-250	-	1
271-280	1	-
	8	8

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

8.4 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. A total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Total remuneration remuneration of executive officers (including Key management Personnel disclosed in Note 8.5)	(\$'000)	(\$'000)
	2020	2019
Short-term employee benefits	829	834
Post-employment benefits	73	71
Other long-term benefits	20	21
Total remuneration^(a)	922	926
Total number of executives	7	7
Total annualised employment equivalents (AAE) ^(b)	5.9	6.7

Notes:

- a. The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).
- b. Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.5 Related party transactions

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

Related parties of the RMB include:

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

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

Significant transactions with government-related entities

The RMB received funding \$7,736k (2019: \$4,396k) from Government related entities, received interest income of \$10k (2019: \$73k), made operational payments of \$10k (2019: \$22k) and recognised \$56k (2019: \$0k) of funding received where a performance obligation was yet to be met.

	(\$'000)	(\$'000)
	2020	2019
Government-related entity transactions		
Receipts		
Dept of Economic Development, Jobs, Transport and Resources - Grants	3,654	4,250
Dept of Environment, Land, Water and Planning - Letter of Comfort	4,015	-
Sustainability Victoria - Grant	-	98
Dept of Jobs Precincts and Regions - Grant	19	-
Dept of Economic Development, Jobs, Transport and Resources - Government Service Income	38	48
Dept of Environment, Land, Water and Planning - Kerbside Reform	10	-
TCV - Interest	10	73
Total Receipts	7,746	4,469
Payments		
DELWP - Valuation and Planning	10	22
Total Payments	10	22
Liabilities		
Dept of Jobs Precincts and Regions - Contract Liability	25	-
Dept of Jobs Precincts and Regions - Grant	31	-
Total Liabilities	56	-

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

Entity	Key Management Personnel	Position title
RMB	Jacqueline Jennings	Chairperson
RMB	Richard Leder	Deputy Chairperson
RMB	Helen Moran	Governing board member
RMB	Michael Monester	Governing board member
RMB	Michelle Croughan	Governing board member
RMB	Peter Valerio	Governing board member
RMB	Sue Lebish	Governing board member
RMB	Mark Bennetts	Chief Executive Officer

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

	(\$'000)	(\$'000)
	2020	2019
Compensation of Key Management Personnel		
Short-term employee benefits	334	299
Post-employment benefits	31	26
Other long-term benefits	7	6
Total remuneration^(a)	372	331

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

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

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

	2020	2019
	(\$'000)	(\$'000)
Kabuki Chalets Pty Ltd		
Revenue received ⁽¹⁾	8	100

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

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

8.6 Auditor's Remuneration

	(\$'000)	(\$'000)
	2020	2019
Audit Services		
Internal Auditor	37	40
Victorian Auditor-General	34	25
Total Audit Services	71	65

8.7 Other accounting policies

Accounting for the Goods and Services Tax (GST)

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

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

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

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

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

Certain new AASs have been published that are not mandatory for the 31 December 2020 reporting period. The RMB assess the impact of all these new standards to determine their applicability and early adoption.

As at 31 December 2020 the following standards and interpretations that are applicable to the RMB had been issued but are not mandatory for the financial year ending December 2020. The RMB has not early adopted these standards.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on RMB financial statements
<i>AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified	1 January 2022	The assessment has indicated that there will be no significant impact for the RMB.

8.9 Style conventions

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

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