



# 2015-16 ANNUAL REPORT

Mount Baw Baw  
Alpine Resort  
Management Board



# RESORT VISION

The Government's vision for alpine resorts in Victoria, as outlined in the *Alpine Resorts Strategic Plan 2012*, is:

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

**Mount Baw Baw Alpine Resort Management Board is committed to the following vision:**

*The Mount Baw Baw Alpine Resort will offer a family friendly, environmentally sensitive, alpine experience.*

## MOUNT BAW BAW ALPINE RESORT

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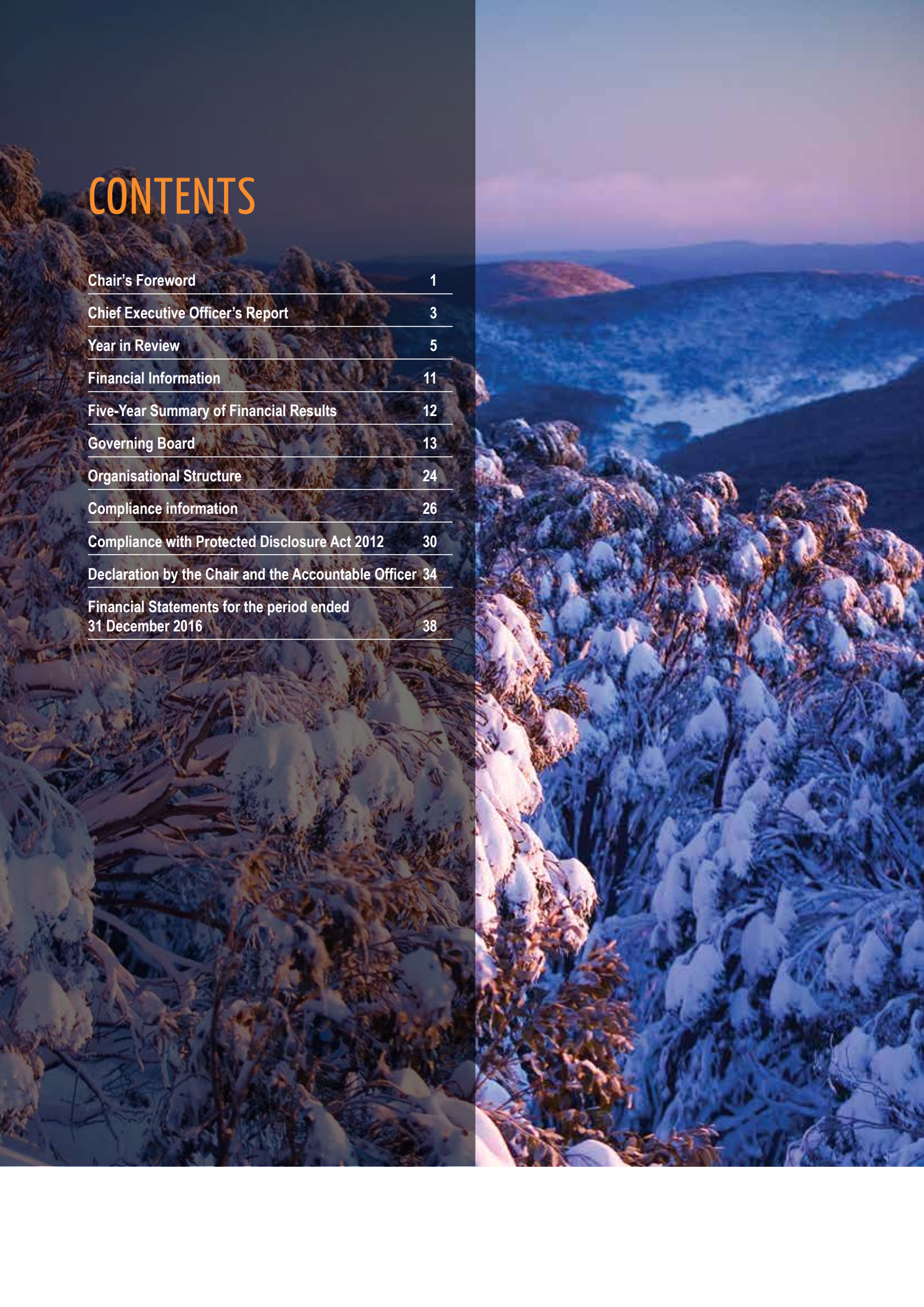
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# CHAIR'S FOREWORD

**I am pleased to present the annual report of the Mount Baw Baw Alpine Resort Management Board for the period 1st November 2015 to 31st December, 2016.**

## Board members

A new board was appointed early in the reporting period, effective from 1st January, 2016, comprising of six new board members, one of whom was a former Lake Mountain Alpine Resort Management Board member;

- Allan Bawden, Chair
- Kerry Irwin, Deputy Chair
- Kerren Clark
- Svetla Petkova
- Joanna Walker
- Tony Thompson former Chair, Lake Mountain ARMB

and one reappointed board member;

- Randall Cohen former Deputy Chair, Mount Baw Baw ARMB.

## Resort Management

At the beginning of the reporting period, the resort was still being operated under an outsourcing arrangement with facilities manager, Belgravia Leisure Pty Ltd. The then Minister for Environment, Climate Change and Water, Hon Lisa Neville announced in December 2015 that the board would resume direct management responsibility for the operations of the resort following the expiry of the contract on 30 April 2016. The board planned and managed a smooth transition to ensure continuity of service and that preparations were in hand for the commencement of the white season.

## Governance review

New legislation to amend the *Alpine Resorts (Management) Act 1997* was introduced into Parliament in September 2016 and given Royal Assent to become effective 1st January, 2017. The effect of the new legislation was to merge the governance of the Lake Mountain and Mount Baw Baw Alpine Resorts by creating the Southern Alpine Resort Management Board and abolish the old boards.

## Climate Change Adaptation

The board was asked by the then Minister for Environment, Climate Change and Water, Hon Lisa Neville to prepare a climate change adaptation plan to guide the transition of the resort through the impacts of climate change. Mt Baw Baw 2030 was prepared after an extensive engagement with resort stakeholders. Climate change modelling was provided by University of Tasmania through research commissioned by the Alpine Resorts Coordination Council. The board's recommendations were provided to Minister D'Ambrosio in October 2016. Minister D'Ambrosio requested further clarifying work that was completed in early 2017, and is currently being considered by Government.

## Finance

The financial year moved from 1st November to 31st October to a new year end at 31st December. As a transition measure the 2015-2016 period was extended to cover fourteen months. As a result, the audited financial report contained in this annual report covers the fourteen month period 1 November 2015 to 31 December, 2016.

The end of the outsourced resort management contract in April, together with the planned merger of the board with the Lake Mountain Alpine Resort Management Board, enabled the board to explore opportunities for resource sharing between Lake Mountain and Mount Baw Baw Alpine Resorts. The board has continued to rely on annual funding contributions from DELWP to meet operational costs. A less than average white season saw visitor numbers below average for the white season. Green season visitation continues to grow as different activities are trialled and offered.

## Stakeholder Relationships

The board continued to work with its many stakeholders to enhance the opportunities and experience for visitors to the resort. An extensive engagement process was also used to prepare the Mt Baw Baw 2030 Report. I wish to thank the many individuals and organisations who participated in this process and shared their insight and expertise.

## Board and Committees

The board appointed an Audit and Risk Committee and a Workplace Arrangements and Remuneration Committee during the year. I wish to acknowledge the work of these Committees and their respective Chairs, Randall Cohen and Tony Thompson.

**I also wish to acknowledge the contribution of those board members who retired from the board on 31 December 2015:**

- Vicky Papachristos (Chair)
- Ben Dunlop
- David Bates
- Grace La Vella

## Executive

The Accountable Officer, Craig Jensz, served in this role until March 2016 when the board, in conjunction with the board of Lake Mountain Alpine Resort Management Board, appointed Phillip Nunn to the role of interim CEO to both boards. The board is indebted to the advice and experience that Craig and Phil brought to both positions which contributed significantly to the board achieving the reform initiatives set by Minister D'Ambrosio.

The Accountable Officer and the board were supported by Sarah Pragnell until March 2016 when Anita Hunter was appointed Board Secretary, jointly supporting the boards of Mount Baw Baw and Lake Mountain Alpine Resort Management Board.

Belgravia Leisure managed the resort until the end of their management contract in April 2016. The board appointed John Fascio to the new role of General Manager: Mount Baw Baw to provide a senior management presence in the resort. Resort staff have continued to provide a range of year round activities in the resort. The board acknowledges the commitment and dedication resort staff have to providing exceptional experiences for our visitors.

The board in partnership with Lake Mountain Alpine Resort Management Board appointed Eddie Warfield as Chief Financial Officer and General Manager: Corporate Services during the year.



**Allan Bawden PSM**  
Chair  
Mount Baw Baw Alpine Resort Management Board



# CHIEF EXECUTIVE OFFICER'S REPORT

**The period ending 31 December 2016 was one of change and transition, with a new resort management team and arrangements, a set of board members, a process to wind up the Mount Baw Baw Alpine Resort Management Board and replace it with the Southern Alpine Resort Management Board, which will act as the committee of management for both Mount Baw Baw and Lake Mountain Alpine Resorts, and the culmination of a board project to report to government on a more financially sustainable future for the Mount Baw Baw Alpine Resort in the context of the impact of climate change.**

Whatever has been achieved at Mount Baw Baw would not have been possible without the hard work, dedication, capacities and support of the Mount Baw Baw staff team and the volunteers. Often working in trying climatic conditions, and in a period of tight expenditure controls, these people have approached their assigned tasks and responsibilities with a cheery, can do, practical, team oriented approach. I feel fortunate to have had the opportunity of working with these people.

The board members have provided a very much appreciated level of support to me and a commitment to the implementation of government policy as they took up their new roles from 1 January 2016. All board members responded to the array of government expectations and worked cohesively to address the issues, make decisions, monitor progress and develop their strategic thinking for the future of the resort. I thank the Chair, Allan Bawden, for working so closely with me during this period.

**Appointed as part time interim CEO in March 2016, we set about implementing government and board decisions. It was a busy and challenging period:**

- By the end of April, we had put in place an interim management structure to enable us to carry on operations of the resort as a result of not renewing the management arrangements that had been in place with Belgravia Leisure Pty Ltd. I thank Belgravia for the co-operation they provided during this transition phase. The professionalism and transparency provided by the Belgravia team was very much appreciated.
- Lion Capital's executive and administrative services arrangements were taken on by an internal management team. I would like to express my appreciation to Lion Capital's Craig Jenz for the work that he and his team carried out during their time servicing the Mount Baw Baw Alpine Resort Management Board, and for their role in the smooth transition of these arrangements.
- LXD Business Solutions were appointed as accounting service providers, and worked tirelessly to put in place a robust and well controlled accounting system that provided a reliable system for the capture, recording, processing and reporting of the resort's financial transactions.
- General Manager: Mount Baw Baw, John Fascio took up this role in May, taking the place of interim Resort Manager, Mal Rowsell. John, deserves a lot of praise for tackling the many challenges he faced in managing the operations of the resort, having commenced so close to the start of the white season. John, has worked energetically to learn about the multi-faceted operations of the resort, the people involved, the regulatory context in which the resort operates and to develop a team oriented culture based upon strong values.
- General Manager: Corporate Services, Eddie Warfield commenced in mid-June, and has worked effectively with LXD Business Solutions to put in place a regulatory compliant accounting system, a new HR management system, enhanced system of internal controls and developed a new budgeting structure that will improve future management. Eddie also played an integral role in preparing for the new Southern Alpine Resort Management Board.
- Board Secretary, Anita Hunter, took a leading role in the transition of the board's administration from Lion Capital, and in preparing for the establishment of the new Southern Alpine Resort Management Board.

- By the end of October, the board had compiled its report on the future of Mount Baw Baw for government. The work on completion of this report was commissioned by the government as part of the Southern Alpine Resorts Reform Project. The board was instructed to provide a report on a more financially sustainable future for Mount Baw Baw in the context of the impact of climate change, whilst considering the project's objectives of protecting the economic and social benefits provided by the resort to the people of Victoria, and particularly to the people from within the region in which Mount Baw Baw is located. I would like to thank GHD who were engaged as Project Managers, and Capire Consulting Group Pty Ltd who were contracted to plan for and conduct the rigorous engagement program with stakeholders with a view to having stakeholders guide the development of recommendations made to government in regards to the transitioning of the resort into a more viable future. It would be remiss of me not to mention all the stakeholders, individuals, groups, councils and agencies who participated so constructively in the process.
- December 31 saw the winding up of the Mount Baw Baw Alpine Resort Management Board due to amendments to the *Alpine Resort (Management) Act 1997*.

As conveyed in this annual report, the white season was variable and somewhat difficult to manage, which in turn impacted upon visitation levels. Significant snow falls on the Friday of opening weekend were very welcome, but sadly were not followed up with regular falls. The winds and extent of the snow falls at the commencement of school holidays went down to very low altitudes in the region, led to road closures because of snow build ups and fallen trees blocking access. The need to improve access to the resort was highlighted on this and many other instances throughout the year. Non-easy access is a real barrier to the future financial growth of the resort. As is the cost of electrical energy supply to the resort. This cost impost is felt heavily by the board and private sector site holders in the resort. The board is investigating solutions to this problem.

The vibrancy and sustainability of the club lodge and leasee sector of the resort is an issue that is being addressed by the board, but is complex and not easily remedied. That having been said, I am pleased with the progress that has been made in enhancing the relationship between the board and the leasee sector, and have enjoyed the opportunity of attending Mount Baw Baw Stakeholder meetings on a regular basis to discuss issues and listen to concerns.

The resort would not currently be able to operate without the continued financial support provided by government through DELWP. DELWP provides operational funding, and assists the resort by also funding risk mitigation measures. I thank the officers of DELWP who have worked closely with the Mount Baw Baw board and management team to progress the resort. I would also like to thank the staff involved with the Alpine Resorts Co-ordinating Council (ARCC) who have worked to support the board in researching the market, marketing the Victorian alpine resorts cohesively and in assisting the board with justifications for investment and funding proposals. I also acknowledge the ARCC commissioned report from UniTas on the impact of climate change on Victorian Alpine Resorts which helped frame the context of the earlier mentioned Southern Alpine Resorts Reform Project.

I would personally like to thank all the staff associated with the resort as they transition through these changes. I trust that all employees will enjoy the challenge and opportunities provided by the commitment to provide a wonderful and enduring workplace culture at Mount Baw Baw.



**Philip Nunn**  
Chief Executive Officer  
Mount Baw Baw Alpine Resort Management Board

# YEAR IN REVIEW



# YEAR IN REVIEW

## Organisational development and long term planning

The 2016 period was highlighted with organisational structural change to align with medium to long term goals of the board whilst maintaining visitor services. The operations team contributed significantly to a long-term resort planning initiative via the Victorian State Government's *Southern Alpine Resorts Reform Project* public consultation process. The board's draft report from this project was presented to government in the last quarter of 2016.

In the first six months of this financial year the resort was managed by Belgravia Leisure Pty Ltd who were contracted by the board to run the operations of the resort. From 1 May, management of the resort reverted to a more typical public entity structure, with managers and staff being employed directly by the board.

## Board commercial activities

The board has continued to operate the restaurant, hotel, and Skiosk to provide the primary source of food and beverage to visitors. Whilst commercially difficult during the green season, with trying to balance providing an offer to visitors and controlling costs, management of the food and beverage activity has been effective in providing a good quality product at reasonable prices.

The board has continued to act as a central booking agency for accommodation on the resort, and as the contract cleaner and maintenance provider for many private lodges and for some visitor accommodation offered by board controlled lodge buildings. The cost of providing these services is far more than the direct revenue generated, but has been regarded as a necessary investment in supporting the activities of the club lodge sector.

The board has also continued to own and operate the ski lifting infrastructure and generated revenue from the sale of lift tickets. It has also owned, managed and generated revenue from the sale of ski and boarding lessons.

## White season visitation

Mt Baw Baw experienced a decreased level of winter visitation during the 2016 white season with a total of 61,336 visitor days. This was largely as a result of poorer snow conditions. Snow falls in May provided moderate cover for the opening weekend however minimal snow falls during the July school holidays negatively impacted school holiday visitation. Warm and humid climatic conditions during the remainder of the season provided inconsistent snow cover, and lift operations relied on the effective use of snowmaking technology to enhance snow sports and snow play activities.



Chart 1: Mt Baw Baw visitor days and skier days

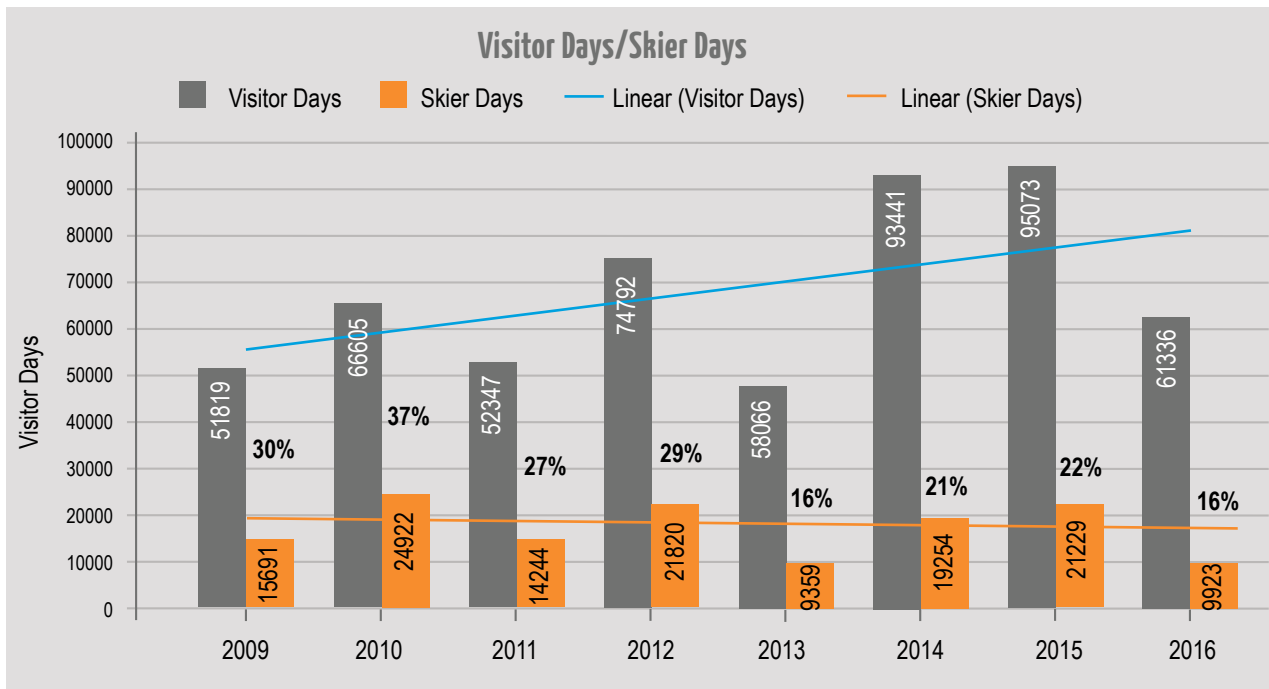
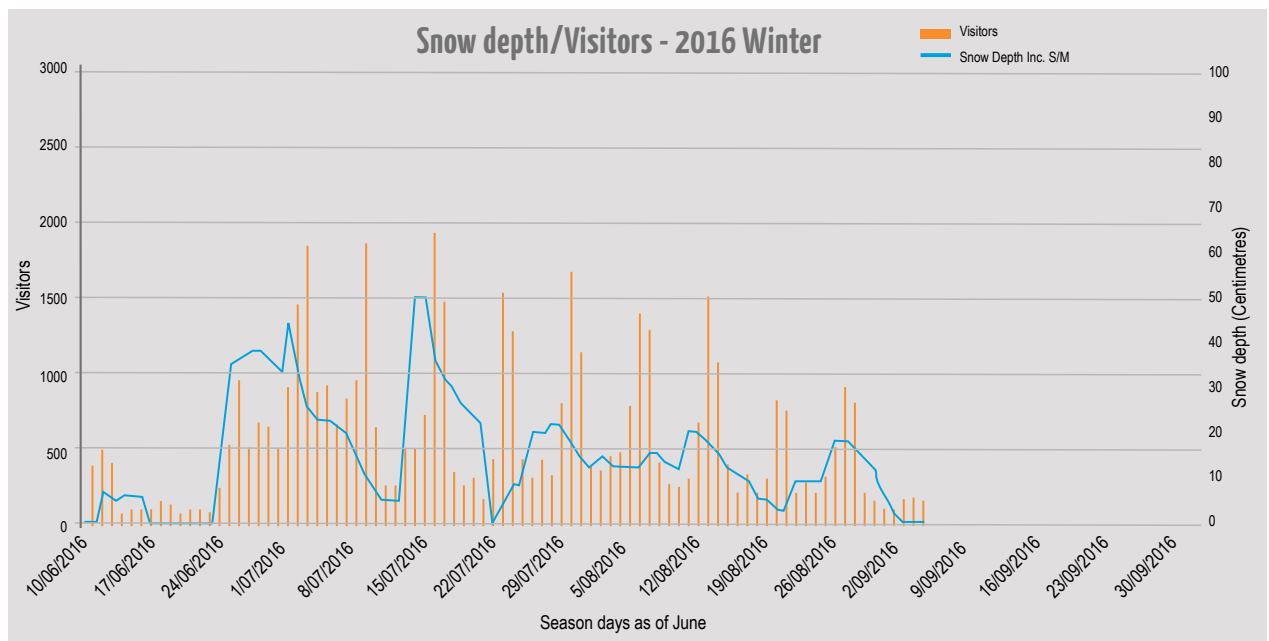


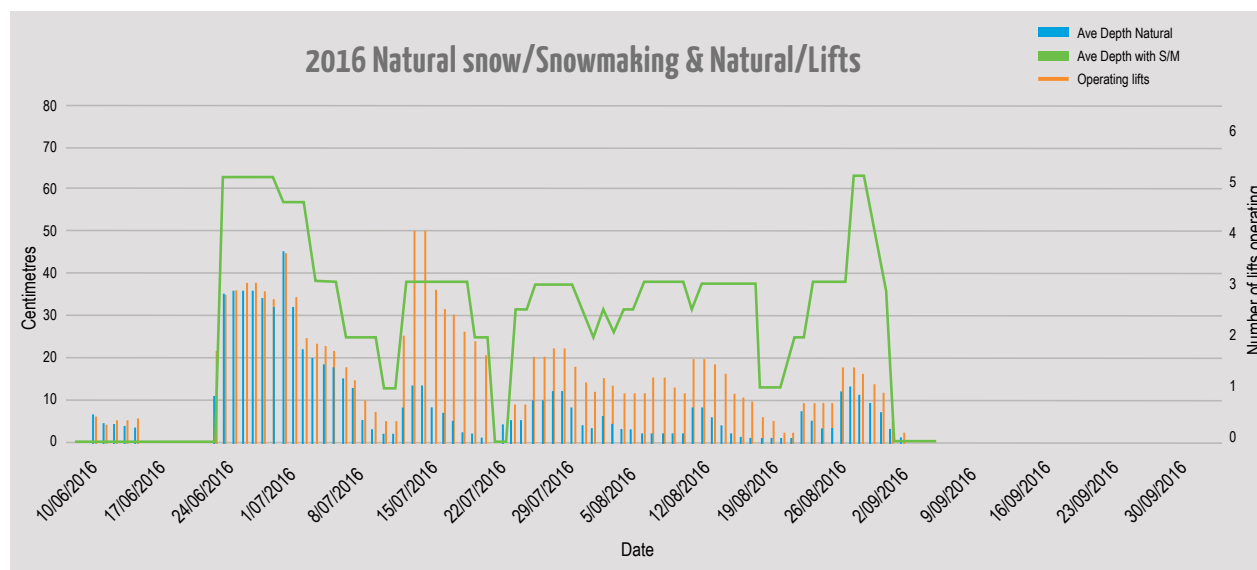
Chart 2: 2016 snow depth and visitor days



Despite snow falls on opening weekend, there was limited natural snow in the early stages of the white season. The remainder of the season experienced lower than average snow falls.

Often the resort was only able to operate two lifts to provide people with an opportunity to ski or board with the assistance of snow making technology.

Chart 3: 2016 snowmaking and natural snow depths (centimetres) snow depth Inc. Snow making centimetres average depth with snow making.



Visitation patterns have continued the trend toward an increasing proportion of “snow players”. A large proportion of white season visitors to Mount Baw Baw are people from Culturally and Linguistically Diverse (CALD) backgrounds, many of whom are coming to the Victorian Alpine Resort for the first time. The management team has been working hard at implementing initiatives that makes the initial experience more pleasurable and easier to organise.

Efforts to re-engage more directly with regional schools in Gippsland and the South Eastern Metropolitan corridor of Melbourne were initiated, with some pleasing feedback and a hope that more schools will see Mount Baw Baw as an attractive excursion offering.

### Ski patrol operations

The resort’s ski patrol was called to attend a total of 125 incidents during the 2016 white season. The number of incidents the patrol was required to attend this year in comparison to previous years is lower, however it is directly comparable with other seasons on record in which the resort received irregular snowfalls and conditions.

Of the 125 incidents, 120 were classified as significant and on 10 occasions the ski patrol called upon the services of Ambulance Victoria for transportation and further medical assistance.

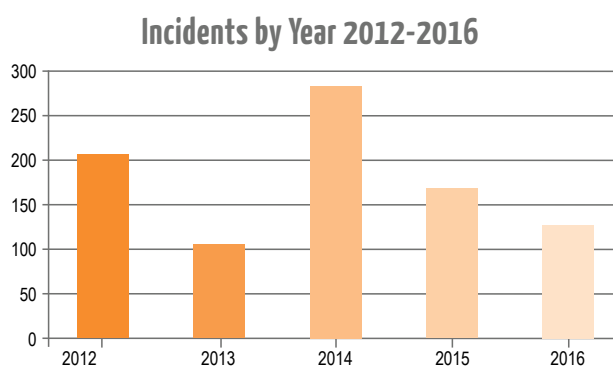
The ski patrol was also required to attend to 9 staff members during white season. Most the staff incidents were walk-in cases and managed in the ski patrol base or the First Aid Centre. There were 3 instances where staff assistance was required outside of the normal operating hours of the patrol.

The continued provision of Ambulance Community Officer (ACO) coverage throughout the season has reduced patrol wait times for weekend ambulance transportation and assistance, allowing patrollers to focus upon their primary role of ski area risk management and guest education.

There were eight Career Paramedics who volunteered their time throughout the season to provide a high level of midweek coverage to the resort, again assisting with wait times for transportation and assistance.

The sourcing of volunteer doctors throughout the season greatly assisted the Ski Patrol in providing extended care and patient management to casualties.

Chart 4: Reported safety incidents



### Green season events

2016 offered more events across the green season than 2015. There was a concerted focus on developing relationships with the private sector to enable an expanded schedule of events to be delivered whilst minimising risk and costs to the resort.

The participant numbers across the VDHS, Trail Run festival and Baw Baw Sprint were in excess of 2015 numbers.

In addition to the existing events, we have successfully introduced new events and activities at Mt Baw Baw for 2016, with the intention of growing green season numbers year on year.

**These new activities and events introduced in 2016 include:**

- Shuttle services to the summit to access new trails and traditional shuttles to access the DH1 track.
- Mountain Boarding events that utilised surface lifts across summer and introduce a new sport to youth across summer.

Date	Event
<b>2015</b>	
14 & 15 November	Pin it to win it
12 & 13 December	Victorian Enduro Tour
<b>2016</b>	
13 February	Domestique Series
20 & 21 February	Baw Baw Sprint
27 & 28 February	Mountain Bike Fest
12 & 13 March	Trail Run Festival
26 & 27 March	Adventure Kids Festival
10 April	Mt Baw Baw Classic

### Environment

The board met targets outlined in its Environmental Management Plan for 2015-16. Throughout the year, the board continued to engage with a number of environmental bodies, including Parks Victoria and supporting research projects carried out by Zoo's Victoria and Deakin University, in an effort to promote and protect Mount Baw Baw's unique alpine environment and its endangered species and better understand the impacts of climate change on the resort.

### Operational changes

Prior to the 2016 white season, a private operator took over the retail outlet from the board after being given a short term permit to do so.

The board has also outsourced the operation of mountain bike shuttles over the 2016 green season.

## Leases

The number of site leases remained as for 2015. Tanjil Lodge and Edski applied successfully for lease renewals which were approved by the Minister. The board collected service charges from leased sites. The level of service charges was increased by 10% from the previous year. The board put in place a working group to develop strategies and approaches to try to assist site holders to become more financially sustainable. The work of this group continues. The group is looking at reviews of the existing Mount Baw Baw leasing policy, rationalisation of electricity supply costs, the methodology for the charging of service charges, business improvement assistance, and how to attract new investment into new or refurbished accommodation facilities.

## Repairs and maintenance

In line with the direction to only incur expenditures that were necessary operational expenditures, the board undertook to preserve the resort's assets through a planned, but minimalist program, that saw it undertake routine and necessary maintenance on its built assets, and its operational plant, infrastructure and equipment.

## Risk mitigation

The government, through DELWP provided funds to invest in replacement assets designed to mitigate the risks that were identified in the resort. These assets included replacement bundled diesel fuel tanks, and ITC equipment necessary for the resort to conduct business. The board has also sought and been granted funds from DELWP to improve the operation of the sewerage treatment facility.

## Water authority

The board fulfilled its obligations as a regulated water authority, and submitted its audited annual report which indicated its compliance with its plan for providing potable water to resort users.

## Stakeholder engagement

Following the decision not to continue with Belgravia's management of the resort, the board reached out to and engaged with many groups and organisations, including the Mount Baw Baw Stakeholders Association, the Baw Baw Shire Council, Destination Gippsland, the Walhalla & Mountain Rivers Tourism Association and the Committee for Gippsland to better serve the interests of the region.

## Staffing

From 1 May, the board became the employer of staff involved in the management and operations of the resort. John Fascio was recruited as General Manager: Mount Baw Baw. Decisions were made during the year to replace some long serving Mount Baw Baw staff. We are appreciative of the efforts and contributions made by these people.



# FINANCIAL INFORMATION

### Summary of financial results and position

As in the past, the board was dependent upon the financial commitment of DELWP to provide funds for essential operational expenditures. This arrangement is formalised by a letter of comfort issued by DELWP to the board. The level of operational funding provided to the board by DELWP in the period ending 31 December, 2016 was \$3.891m compared to \$3.543m in the 2015 financial year.

The board was provided with \$125,000 of funds to resource the board's role in the Southern Alpine Reform Project. All of these funds were expended on the project and are included in operating expenditures.

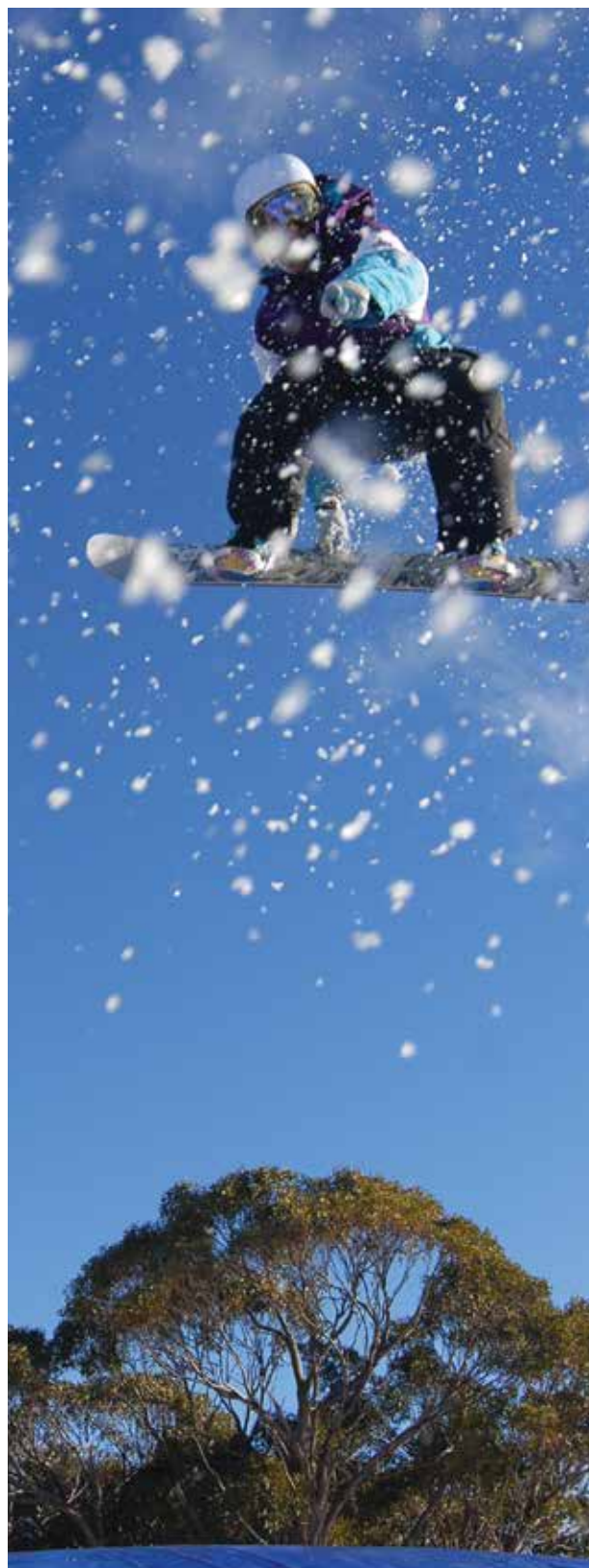
The financial position of Mount Baw Baw ARMB improved during the reporting period, with the value of its net assets increasing by \$1.469m from the end of the previous financial year. The increase in net assets occurred notwithstanding a net deficit from operations of \$1.655m, which was more than offset by an upward valuation of the board's assets by 2.866m. The revaluation of assets arose from the five-year valuation cycle of the entities assets by the Victorian Valuer General.

Revenue attributable to visitors, i.e. from gate entry fees and the sale of goods and services was \$2.248m compared to \$3.137m in the previous financial year. The poor natural snow fall during the winter season reduced the number of visitors coming to the resort in 2016.

The change in management arrangements led to a change in the pattern of expenditures, with a reduction in the payment to contractors \$2.111m being offset by an increase in employment costs of \$2.049m. Utility costs increased by \$0.361m, and depreciation of assets was \$0.105m higher than in 2015.

As a result of a Memorandum of Understanding with the Lake Mountain ARMB some expenditure savings arose from the sharing of some corporate service resources.

More detailed information is contained in the audited financial statements of this report.



# FIVE YEAR SUMMARY OF FINANCIAL RESULTS

**Table 1 Five-year summary of the resort's Financial Results**

Comprehensive Income Statement	2016	2015*	2014	2013	2012
	\$	\$	\$	\$	\$
<b>Income</b>					
Operating	3,137,432	3,881,599	3,963,404	2,436,057	3,680,655
Government contributions	3,891,338	3,543,763	3,822,099	4,539,215	1,423,857
Non-operating revenue	7,746	6,135	5,400	5,050	22,222
<b>Total Income</b>	<b>7,036,516</b>	<b>7,431,497</b>	<b>7,790,903</b>	<b>6,980,322</b>	<b>5,126,734</b>
<b>Expenses</b>					
Operating	7,429,272	6,756,399	7,464,869	6,241,160	6,352,705
Depreciation	1,180,540	1,075,302	1,050,868	1,086,922	1,118,317
<b>Total Expenses</b>	<b>8,609,812</b>	<b>7,831,701</b>	<b>8,515,737</b>	<b>7,328,082</b>	<b>7,471,022</b>
Net result from transactions	(1,573,296)	(400,204)	(724,834)	(347,760)	(2,344,288)
Other economic flows	(81,492)	13,119	(1,793)	(54,866)	(7,481)
Asset revaluation	2,866,370	-	-	-	-
Net result	1,211,583	(387,085)	(726,627)	(402,646)	(2,351,769)
Net result excl government transactions and asset revaluation	(5,546,125)	(3,930,848)	(4,548,726)	(4,941,861)	(3,775,626)
<b>Balance Sheet</b>					
	2016	2015*	2014	2013	2012
	\$	\$	\$	\$	\$
Current Assets	784,333	938,122	1,291,514	942,313	519,329
Non-Current Assets	18,731,360	16,832,962	17,551,769	17,951,537	18,608,348
<b>Total Assets</b>	<b>19,515,693</b>	<b>17,771,084</b>	<b>18,843,283</b>	<b>18,893,850</b>	<b>19,127,677</b>
Current Liabilities	1,141,535	750,382	1,397,132	983,976	806,569
Non-Current Liabilities	35,589	150,715	244,480	340,860	464,448
<b>Total Liabilities</b>	<b>1,177,124</b>	<b>901,097</b>	<b>1,641,612</b>	<b>1,324,836</b>	<b>1,271,017</b>
<b>Equity</b>	<b>18,338,569</b>	<b>16,869,987</b>	<b>17,201,671</b>	<b>17,569,014</b>	<b>17,856,660</b>

\*restated

NB. 2016 is for fourteen months ending 31 December as a result of the transition to a new financial year end, 31 December. Other years are for the 12 months ending 31 October.

# GOVERNING BOARD

The Mount Baw Baw Alpine Resort was created by the *Alpine Resorts Act 1983*. It is governed by a committee of management, the Mount Baw Baw Alpine Resort Management Board which was established under the *Alpine Resorts Management Act 1997* ("the Act"). The responsible ministers for the alpine resort during the 2015-2016 reporting period were:

- The Hon Lisa Neville MP, Minister for Environment, Climate Change and Water for the period from 1 November 2015, to 22 May 2016.
- The Hon Lily D'Ambrosio MP, Minister for Energy, Environment, and Climate Change for the period from 23 May 2016 to 31 December 2016.

The Mount Baw Baw Alpine Resort Management Board was abolished on 31 December 2016. The Southern Alpine Resort Management Board became the committee of management for the resort from 1 January 2017.

Board members are appointed by the Responsible Minister. The functions and powers of the board are outlined in the Act.

## Objectives, Functions, Powers and Duties

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

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

**Section 38 of the *Alpine Resorts (Management) Act 1997* specifies the functions of the board:**

- To plan for the development, promotion, management, and use of the alpine resort in accordance with the object of the Act;

- To develop and promote or facilitate the development or promotion by others of the use of the alpine resort in accordance with the object of the Act;
- To manage the alpine resort in accordance with the object of the Act;
- To contribute to the development of the Alpine Resorts Strategic Plan and other strategic planning for alpine resorts as a whole;
- To undertake research into alpine resort issues;
- To contribute to and support the operation of the Alpine Resorts Co-ordinating Council;
- To prepare and implement a Strategic Management Plan for the resort;
- To expend or apply revenue of the board in accordance with a direction of the Minister under section 36(1A) of the Act;
- To manage the Crown land in Lake Mountain by acting as a Committee of Management under the *Crown Land (Reserves) Act 1978*;
- To contribute, together with Tourism Victoria and the Alpine Resorts Co-ordinating Council, to the overall promotion of alpine resorts;
- To develop a tourism and marketing strategy and to promote the resort;
- To collect fees prescribed by the regulations for the resort;
- To attract investment for the improvement of the resort;
- To carry out any other function conferred on the board by this or any other Act; and
- To perform its functions in an environmentally sound way.

## The Board

**Members of the Mount Baw Baw Alpine Resort Management Board at 31 December 2016, appointed from 1 January 2016, were:**

- Allan Bawden (Chair)
- Kerry Irwin (Deputy Chair)
- Tony Thompson
- Kerren Clark
- Randall Cohen
- Svetla Petkova
- Joanna Walker

**Board members holding office from 1 November 2015 to 31st December 2015 were:**

- Vicky Papachristos (Chair)
- Randall Cohen (Deputy Chair)
- Ben Dunlop
- David Bates
- Grace La Vella

Board Member					
Meeting	Vicky Papachristos	Randall Cohen	Ben Dunlop	David Bates	Grace La Vella
23-Nov-15	√	√	√	√	√
15-Dec-15	√	√	√	√	A
<b>TOTAL</b>	<b>2/2</b>	<b>2/2</b>	<b>2/2</b>	<b>2/2</b>	<b>1/2</b>

Board Member							
Meeting	Allan Bawden	Kerry Irwin	Tony Thompson	Kerren Clark	Randall Cohen	Svetla Petkova	Joanna Walker
19-Jan-16	√	√	√	√	√		
19-Feb-16	√	√	A	A	√	√	
18-Mar-16	√	√	√	√	√	√	√
22-Apr-16	√	√	√	√	√	√	√
27-May-16	√	√	A	A	√	√	√
24-Jun-16	√	A	√	√	√	√	√
22-Jul-16	√	√	√	A	√	√	√
26-Aug-16	√	√	√	√	√	√	√
23-Sep-16	√	√	√	√	√	√	√
28-Oct-16	√	√	√	√	√	A	√
25-Nov-16	√	√	√	A	√	√	√
16-Dec-16	√	√	A	√	A	√	√
<b>TOTAL</b>	<b>12/12</b>	<b>11/12</b>	<b>9/12</b>	<b>9/12</b>	<b>11/12</b>	<b>9/12</b>	<b>10/10</b>

√ Attendance   
 A Apology   
  Not yet officially appointed but nominated to the board

## GOVERNING BOARD

### Allan Bawden – Chair

Allan Bawden PSM is a CEO and non executive director with extensive experience in the local government and not for profit sectors. His local government career spanned almost four decades involving senior executive appointments in some of Victoria's most dynamic regions including inner metropolitan Melbourne, the Latrobe Valley and the Bass Coast. He was the inaugural CEO of Bass Coast Shire Council following the Statewide restructuring of local government in 1995 and held this position until 2014. He now divides his time between serving as a non executive director, consulting to governing bodies on strategy and governance, pursuing his interest in primary production and mentoring young professionals. Allan is a member of the Gippsland Coastal Board, the Port Phillip & Western Port Catchment Management Authority and the Alpine Resorts Coordinating Council. He holds a MBA (Melb Uni) and is a graduate of the Australian Institute of Company Directors. He is a life member of the Bass Coast Landcare Network and was awarded the Public Service Medal in 2014 for outstanding public service to the Bass Coast and the Gippsland regions. He has been an active bushwalker, skier and snowboarder in the Victorian alps for many years.

### Kerry Irwin - Deputy Chair

Kerry is a local government, community development and health promotion professional. She has led large scale, longer term, multi-dimensional and agency planning and policy across portfolios including: recreation, environmental sustainability, engagement, health and wellbeing and active transport.

For more than 20 years Kerry has been involved in creating environments that foster participation in community life and loves all things about community and our great outdoors. She is an avowed traveller which has helped shape her appreciation of the impact the physical environment and public places have on our wellbeing which is central to her approach.

Kerry's policy and planning work and ability to successfully transfer this into on the ground services and infrastructure has an ongoing positive legacy and are the foundations for significant community and organisational outcomes. Her willingness to invest time, work hard, drive change, adapt and follow through on commitments and responsibilities has seen her work acknowledged at State and National levels.

### Tony Thompson

Tony has run his own businesses for 30 years, mainly in hospitality. For the past 15 years, Tony and his wife Penni have owned and run Maryton Park B & B Country Cottages. Tony has also been a director of the Dandenong Ranges Banking Group (Bendigo Community Bank) since its inception for 17 years. Other board memberships include Chair of the Marysville & Triangle Community Foundation, Regional Development Australia and as a board member of Lake Mountain Alpine Resort Management Board was Chairperson for 3 years. Since the 2009 Black Saturday fires, Tony has chaired the Community Recovery Committee, dealing with all matters regarding the region, tourism, economics, mental health and the overall recovery of the Marysville and Triangle area and is now consulting for Emergency Management Victoria.

### Kerren Clark

Kerren is principal of Numbat Consulting (which is entering its tenth year of business), a senior consultant at the Clifton Group and a Trustee of the Caulfield Racecourse Reserve.

She was a community member of the Victorian Board of the Medical Practitioners Board of Australia for seven years and of the Consultative Council for Human Research Ethics for five years. As a volunteer, she was a director of Dousta Galla Community Health, a member of the Swinburne University Human Research Ethics Committee and she chaired the West Centre Against Sexual Assault and the Australian Health Care Reform Alliance. She has a strong background in non-government boards, community committees and community groups.

Kerren holds a science degree, a Graduate Diploma in Health and Medical Law and a Diploma of Company Directorship. She has worked for the Australian Physiotherapy Association, the College of Obstetricians and Gynaecologists, the Australian Services Union and a number of state and federal members of parliament.

## Randall Cohen

Randall has a wealth of professional experience in commercial and legal project work for the public sector, the private sector and at the interface between the public and private sectors. Over the past 15 years, Randall has assisted a broad array of Victorian Government Departments in delivery of major projects with emphasis on industry reform, infrastructure, energy and resources, dispute management and resolution, risk management and governance. Prior to that Randall worked as General Counsel and Regulatory Manager for APA GASNet Pty Ltd, as Corporate Solicitor for Alcoa of Australia Ltd, and as a solicitor with major law firm, Mallesons Stephen Jacques.

## Svetla Petkova

Svetla is a keen skier with a love for mountains, mother of two primary school boys who works in Gippsland. Over the past decade she has worked as a manager in the planning, capital works and asset management departments of two regional water corporations.

Her engineering background and drive to improve on the status quo, combined with desire to work with staff, management, community and interested groups will assist her in contributing to the vision and strategy determining the future of Lake Mountain and Mount Baw Baw Alpine Resorts.

## Joanna Walker

Joanna is an experienced Chief Financial Officer qualified as a Chartered Accountant, who has a wealth of executive finance experience across retail, professional services and distribution enterprises. She has an MBA majoring in Strategy and is a member of the Australian Institute of Company Directors (completed AICD course in 2010). Her prior board appointments include non-executive director of the Amcor Superannuation Fund and member of the investment committee which, during Joanna's leadership and involvement, resulted in improved governance of funds under management. She is highly commercial and is known for her tenacity to drive financial and operational excellence. Her governance and change management experience together with driving a high performance team and culture within organisations undertaking transformation have been instrumental to her past achievements. She is passionate about skiing and making a difference to the future of both Lake Mountain and Mount Baw Baw Alpine Resorts and their associated communities.

## Vicky Papachristos

Vicky has spent over 25 years as a management and marketing executive with major corporations in Australia and the USA. Vicky's work has spanned Petrochemicals, Banking, Sport, IT & Retailing, holding senior roles in Shell, Westpac, Visa, Myer, the Sydney Olympics and Paralympics as well as an IT start-up in the US.

Vicky's expertise is in strategy and marketing responsible for the design, development and launch of several major customer facing business initiatives. Vicky also has extensive expertise in setting up new and enhancing existing business operations.

In 2006, Vicky formed Currant Marketing – an independent consultancy in the fields of marketing, loyalty and customer strategy specialising in retail and consumer products.

Vicky also brought significant board experience. She is a Director of Coventry Group Limited, a Director of GMHBA Private Health Insurance and was an Independent Director of EFTPOS Payments Australia Limited until November 2015 when her term expired.

Vicky holds a Chemical Engineering degree as well as an MBA from the AGSM. She is a member of the Australian Institute of Company Directors and she was a member of the Alpine Resorts Coordinating Council.

## Ben Dunlop

Ben is a fully qualified Certified Practising Accountant (CPA), with in excess of seventeen years' experience in the accounting / finance sector, including four years as Financial Accountant at Hawthorn Football Club.

Ben has experience in a range of industry sectors including taxation, business services, health sector, information technology and sport and leisure, along with experience in the United Kingdom.

## GOVERNING BOARD

### David Bates

David brought with him a wealth of business experience gained from over 45 years in business and people management, working in the banking and finance industries both locally and overseas before establishing his own advisory and building services businesses.

David provides building services, with roles ranging from project management to 'hands on' construction on a variety of tasks.

### Grace La Vella

Grace is a highly experienced office manager, mentor and executive assistant. She has extensive corporate governance, community development and business experience having a career spanning 40 years across Local Government, business, nursing, education and administration. Grace formally held the position of Student Services Executive Assistant and Office Manager at Carey Baptist Grammar and a 10 year association in various roles over a 10 year period. She was elected to the Manningham City Council for 2 terms.

Grace has served on a number of Boards and Advisory Committees over the past twenty years including Ministerial appointment to the Road Based Public Transport Advisory Council, Director on the Whitehorse Manningham Regional Library Corporation, Director Doncare Board, and Board member on the Victorian Local Governance Association. She works as a mentor and advisor.



# BOARD COMMITTEES

The board has created the following committees which provide advice to the board, and have some delegated authorities. Meetings are held as scheduled on the board calendar or at any other time on request of a committee member, or the board. Attendance of committee members is detailed in the meetings attendance table.

## Membership and Roles

### Audit and Risk Committee

**Membership of the committee as of 31 December, 2016 comprised of:**

- Randall Cohen, Chair (independent)
- Kerren Clark (independent)
- Svetla Petkova (independent)
- Joanna Walker (independent)

Members of the committee are appointed by the board, and are bound by the Committee Charter. The board considers the membership annually.

The role of the Audit and Risk Committee is to oversee and advise the board on matters of accountability, internal control and financial management which affect the operation of the organisation and the resort.

**The main responsibilities of the committee include the oversight of:**

- Risk assessment, treatment strategies and monitoring.
- Setting of operational and capital works budgets and regular monitoring of financial performance and position.
- Achieving a high level of organisational governance.
- Having procurement procedures that provide for value for money, transparent and defensible purchasing outcomes.
- Reporting financial information to the users of financial reports.
- Ensuring quality and timeliness of information conveyed in financial reports.
- Application of accounting policies approved by the Board, including the valuation of non-cash assets.
- Financial management and obligations as outlined in the Financial Management Act 1994 and its compliance with Ministerial Directions.
- Internal control system.

- Contributions to and monitoring of Board performance management systems.
- Business policies, regarding setting of resorts gate entry fees, terms and conditions of arrangements.
- Responsible for ensuring policies, procedures and Asset Management Plan are in place to ensure management and security of resorts assets.
- Overseeing the external (VAGO) and internal audit functions and their independence.
- Reviewing and improving funding submissions prior to being lodged.
- Monitoring compliance with taxation obligations.

### Workplace Arrangements and Executive Remuneration Committee

**Membership of the committee as of 31 December, 2016 comprised of:**

- Tony Thompson (Chair)
- Allan Bawden (board Chair)
- Kerry Irwin
- Svetla Petkova

**The purpose of this committee is to consider issues and make recommendations to the board, in respect to the following:**

- The board having sustainable management structure that allows the Boards to achieve its objectives.
- The employment by the board of an executive officer, who is effective and constructive, and is remunerated fairly within the terms of GSERP requirements.
- Compliance with state government industrial relations policy, and work place legislation.
- Considering an array of board policies that give rise to good employment practices and a productive workplace.

## BOARD COMMITTEES

### Audit and Risk

Committee Member			
Meeting	Randall Cohen	Vicky Papachristos	Ben Dunlop
23-Nov-15	√	√	√
TOTAL	1	1	1

Committee Member				
Meeting	Randall Cohen	Kerren Clark	Svetla Petkova	Joanna Walker
18-Mar-16	√	√	√	√
22-Apr-16	√	√	√	√
12-Aug-16	√	√	√	√
11-Nov-16	√	√	A	√
TOTAL	4/4	4/4	3/4	4/4

### Workplace Arrangements and Executive Remuneration

Committee member				
Meeting	Tony Thompson	Allan Bawden	Kerry Irwin	Svetla Petkova
21-Apr-16	√	√	√	√
25-Aug-16	√	√	√	√
19-Oct-16	√	√	√	√
24-Nov-16	√	√	√	√
TOTAL	4/4	4/4	4/4	4/4

Attendance   
  A Apology   
  Not yet officially appointed but nominated to the board

## Nature and range of services provided

In order to fulfil its functions prescribed by the Act, the Mount Baw Baw Alpine Resort Management Board ensures that a number of services were provided in the resort including:

- Water supply
- Sewerage and drainage
- Car park development and maintenance
- Garbage and waste disposal
- Electricity
- Accommodation
- Snow equipment hire;
- Ski school;
- Lift ticketing;
- Ski lifting;
- Food and beverage;
- Snow clearance;
- Traffic control and parking;
- Trail grooming, construction and maintenance;
- Ski patrol;
- Leaseholder management;
- Snow and weather reporting;
- Tourism and education information;
- Public shelters; and
- Public toilets.

Until 30 April 2016, the management of the provision of these services was contracted to Belgravia Leisure, with the board overseeing the delivery of the contracted services. From 1 May 2016, the board opted to develop its own internally employed and managed staff to co-ordinate and deliver these services.



## BOARD COMMITTEES

### Performance Against Objectives

The focus area is developed from Alpine Strategic Plan 2012.

Table 2 Performance against 2015/16 strategic objectives and priorities

Focus Area	Item	Action	Outcomes achieved
Enhancing the visitor experience and developing Resort	1	Development of green season offering by increasing the number of specialist contractor led events.	Increased array of activities and events including shuttle transport for mountain bike events, mountainboarding, and dry slope sliding and various cycling and biking activities.
	2	Improve MTB offering.	Increased green season visitation as a result of improved support for MTB events and regular activity.
	3	Implement an all seasons learn to ride (Burton Riglet) program for toddlers to further enhance reputation as a beginner's mountain.	Not progressed during 2016.
	4	Develop additional snow play facilities.	Planning for improved facilities undertaken.
	5	Develop and implement actions to improve the visitor experience at all "touch points" through a focus and orientation toward outstanding service to visitors and other customers.	A year of stabilisation with focus on improved service to visitors.
Delivering Resort services and Infrastructure Efficiently and Accountably	6	Transition from Belgravia to internal management structure.	Transition implemented, with new management and staff teams recruited.
	7	Initiate a tender process for a "park and ride" facility within the Rawson/ Erica district.	Not progressed during 2016.
	8	Implement skeleton staffing in October and November in the transition between seasons.	Staffing structure rationalised.
	9	Further develop SnowCORE and B-People software platforms to provide enhanced reporting enabling more targeted analysis of revenue and wage category performance, particularly against budget expectations.	No significant progress made in 2016
	10	Implementation and management of the effective Asset Management System.	Plans to develop comprehensive and compliant to DTF Guideline Asset Management System developed, but not yet implemented.
	11	Develop model for future financial sustainability for MBB after extensive stakeholder engagement program.	Southern Alpine Resorts Reform Project report to government submitted after extensive stakeholder engagement undertaken.

Focus Area	Item	Action	Outcomes achieved
Building Partnerships	12	Engage the West Gippsland Arts community to further develop an Arts and Culture project to include a range of events, opportunities and activities.	Not progressed during 2016.
	13	Update MBBAR Strategic Plan to reflect the intent of the Alpine Resorts Strategic Plan 2012	Not progressed during 2016.
	14	Review and update the fire management plan for the Resort.	Ongoing reviews carried out.
	15	Review and update the Emergency Management Plan for the Resort.	Ongoing reviews carried out.
	16	Manage the lease renewal process to ensure all sites have current leases.	<ul style="list-style-type: none"> <li>• Meet Government Regulations.</li> <li>• Two leases renewed, other renewal applicants received and being processed.</li> </ul>
	17	Refresh and renegotiate the CAB's agreement.	<ul style="list-style-type: none"> <li>• Meet stakeholder expectations.</li> <li>• CAB's systems being monitored.</li> </ul>
Respecting the Alpine Environment	18	Establish environmental committee.	<ul style="list-style-type: none"> <li>• Develop &amp; execute environmental initiatives.</li> <li>• Not progressed during 2016.</li> </ul>
	19	Develop a market awareness campaign around the plight of the Baw Baw Frog.	<ul style="list-style-type: none"> <li>• Enhance inter government partnerships. Create awareness around the Baw Baw Frog.</li> <li>• Not progressed significantly during 2016.</li> </ul>
	20	Investigate and implement energy use mitigation measures to reduce energy bills, including renewable energy sources.	<ul style="list-style-type: none"> <li>• Reduce carbon reliance and power costs.</li> <li>• Work continued on this initiative.</li> </ul>
	21	Develop a green season camp program for Schools.	<ul style="list-style-type: none"> <li>• Increase school camp product offering. Service an underserved niche market.</li> <li>• Plans for development of concept developed, and liaison with schools renewed.</li> </ul>
	22	Investigate the feasibility of developing an alpine camp program to complement the Bogong Outdoor Education camp in servicing NSSSA Winter camps.	<ul style="list-style-type: none"> <li>• Increase school camp product offering. Service an underserved niche market.</li> <li>• Discussions with interested parties undertaken, but not progressed to agreements.</li> </ul>
	23	Complete a Resort wide accessibility audit for people with a disability.	<ul style="list-style-type: none"> <li>• Improve access and equity for all Resort user groups.</li> <li>• Not progressed in 2016.</li> </ul>
Regulatory Reform	24	Provide financial reports to Department Environment, Land, Water and Planning (DELWP) including quarterly financial reports.	<ul style="list-style-type: none"> <li>• Meet Government Regulations.</li> <li>• Completed as required.</li> </ul>
	25	Corporate Plan to include 2012 Strategy Key Performance Indicators (KPI's).	<ul style="list-style-type: none"> <li>• Meet Government Regulations.</li> <li>• Completed as required.</li> </ul>
	26	Work with Lake Mountain Alpine Resort Management Board to merge the two boards.	<ul style="list-style-type: none"> <li>• Meet Government announcement.</li> <li>• Rationalisation of resources as two boards were made to ready to merge at year end.</li> </ul>

## BOARD COMMITTEES

### Key initiatives and projects

#### Management and staffing

The board has transitioned the management of the resort from a commercial service provider, to an internal management team. All staff positions have been reviewed, and where appropriate the staff structure has been remodelled to focus on cost effective provision of services to visitors. The board has also prioritised an outstanding public sector workplace culture amongst the resort's staff.

#### Southern Alpine Resorts Reform Project

The board after engaging extensively with stakeholders has developed a report which outlines a model for a financially sustainable future for the resort for consideration by government.

#### Snow play and beginner skier/boarder facilities and focus

The board has recognised the importance of visitors who have little snow experience to the resort, and has planned to improve the facilities and activities targeted at providing wonderful experiences to visitors.

#### A replacement board

The board has positioned the organisation to transition, along with the Lake Mountain Alpine Resort Management Board, to the new Southern Alpine Resort Management Board from 1 January 2017. A recruitment process to appoint a CEO for the new organisation was underway at year end.



# ORGANISATIONAL STRUCTURE

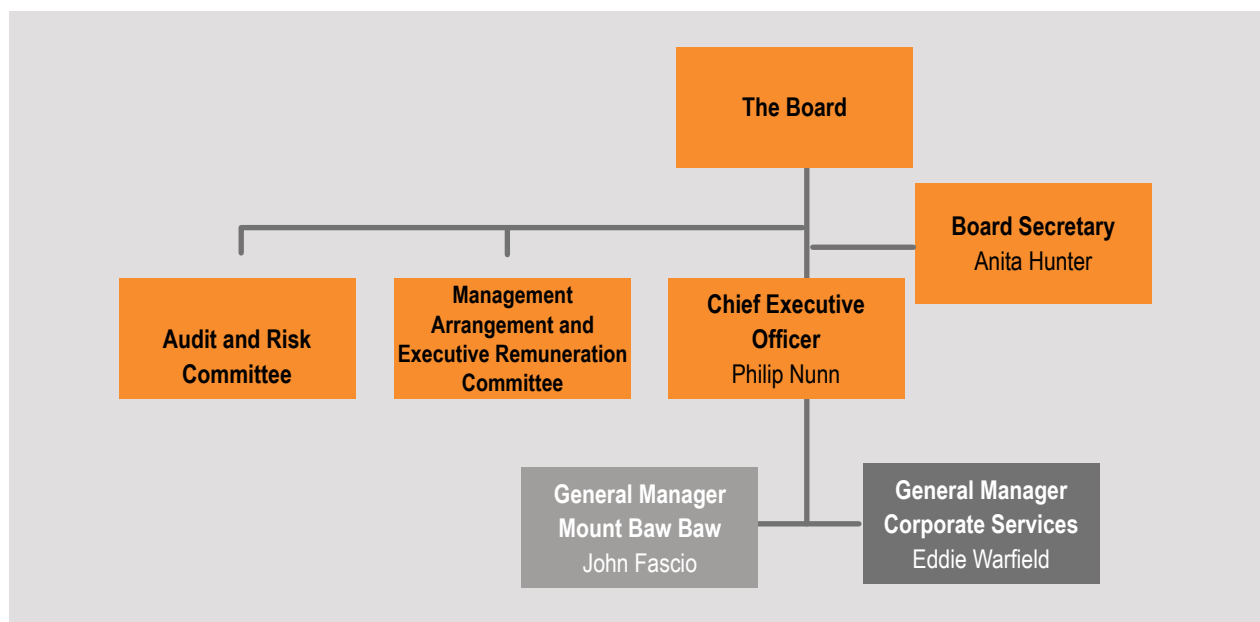
## The management model

The board had previously re-engaged Belgravia Leisure to manage the operation of the resort. This one-year contract expired at the end of April 2016.

The board adopted an internally managed and staffed model to deliver its functions.

The board appointed a Chief Executive Officer and Board Secretary as its executive staff team to provide administrative services to the board from March 2016, to ensure that the board was able to fulfil its legislated functions and compliance obligations effectively.

Table 3 Organisational chart <sup>1</sup>



<sup>1</sup> 2016 white season

## ORGANISATIONAL STRUCTURE

### Comparative Workforce Data

The following data relates to staff members who were employed by the board. Aside from the Chief Executive Officer, staff members were managed by Belgravia Leisure until April, 2016 and were transferred to board employees. Belgravia Leisure employees are not included in the information contained in the table below.

Table 4

	Ongoing employees		Fixed-term & casual employed during the season	Fixed-term & casual employed at the end of year
	Headcount (Full-time & Part-time)	FTE	FTE	FTE
2016	18	15.9	75	4
2015	22	22	78	-
2014	20	20	80	-
2013	22	22	88	-

	2015-16		
	Ongoing		Fixed-term & casual at end of year
	Headcount	FTE	
Male	11	10	-
Female	7	5.9	-
Age			
15-25	2	2	-
25-34	5	4.5	-
35-44	4	2.9	-
45-54	2	2	-
55-64	5	4.5	-
65 plus	0	0	-

Ongoing employees means people engaged on open-ended contracts of employment, and executives engaged on a standard executive contract who were active in the last full pay period in December.

FTE means full-time staff equivalent.

### Executive Officer Disclosures

The board had contracts of employment with two executives whose annual total remuneration exceeded \$100,000 per annum. The Chief Executive Officer remuneration is disclosed in Note 22 (b) of the Annual Financial Statements whilst the remuneration of the other executive is disclosed in Note 22 (c).

# COMPLIANCE INFORMATION

## Risk management

To ensure that risks are being managed in a consistent manner, public sector entities are required to attest in annual reports that:

- entities have in place risk management processes that complies with the mandatory requirements set out in the Victorian Government Risk Management Framework (2015 Framework);
- these processes are effective in controlling the risks to a satisfactory level; and
- a responsible body or audit committee verifies that view.

Mount Baw Baw Alpine Resort Management Board has in place a risk management framework, incorporating a policy and strategy. The risk management framework and risk management plan is reviewed regularly and updated annually.

This includes the adequacy of the board's insurance. The Mount Baw Baw Alpine Resort Management Board is a participating body under Section 4 of the *Victorian Managed Insurance Authority (VMIA) Act 1996*, with all of its insurance, other than workcover and motor vehicle insurances, sourced through the VMIA. The board regularly conducts a detailed review of the insurance cover held with VMIA and others, to determine the appropriate level of covered of insurance and minimise the board's exposure.

I, Allan Bawden, certify that the Mount Baw Baw Alpine Resort Management Board has complied with the Ministerial Standing Direction 4.5.5 - Risk Management Framework and Processes. The Mount Baw Baw Alpine Resort Management Board's Audit and Risk Committee has verified this.



**Allan Bawden PSM**

Chair

Mount Baw Baw Alpine Resort Management Board



## COMPLIANCE INFORMATION

### Public Administration Act 2004

Victorian Public Service merit and equity principles are applied in the appointment and management of staff. Mount Baw Baw Alpine Resort Management Board follows the employment and conduct principles set out in the *Public Administration Act 2004*. Most staff are employed under the terms of the Mount Baw Baw Alpine Resort Enterprise Agreement. The applicable union is the Australian Workers Union.

Mount Baw Baw Alpine Resort Management Board staff work in accordance with the board's Code of Conduct and employment policies.

The recruitment and advancement of staff is based upon merit and equity.

There were no industrial claims made during the reporting period.

### Workplace Health and Safety

The board is responsible for providing a safe working and recreational environment, free from accidents and injuries, for all board employees, contractors, and visitors to the resort. The board is committed to ensuring that all people affected by its activities are protected from loss and from risks to safety, health, and wellbeing. The board also worked with Belgravia Leisure to ensure that appropriate health and safety measures are in place in the resort.

Reviews of workplace health and safety are conducted regularly, with no significant workplace health and safety issues identified that are yet to be addressed.

The board has reviewed and adopted amendments to its Workplace Health and Safety Policies, and through its resort management team conducts regular meetings of its Workplace Health and Safety Committee. Outcomes of these meetings are reported to the board, via the Audit and Risk and Committee.

Whilst general training is provided on workplace health and safety, specific training is provided where new equipment is provided for use by the resort operations staff.

The board monitors monthly reports on workplace and public safety-related injuries. The number and nature of injuries and incidents are similar to those experienced in previous years.



## Disclosure Index

### Application and Operation of Freedom of Information Act 1982

Mount Baw Baw Alpine Resort Management Board is considered to be a Government Agency under the *Freedom of Information Act 1982*, and as such is required to abide by the requirements of the Act.

The board comprises individuals who are recognised as having an understanding of alpine issues, and who represent the views of the various sections of the public that have an interest in the board.

#### The board holds and maintains the following categories of documents:

- Correspondence files;
- Minutes of the various board and board committee meetings;
- Technical reports and statistical information on Mount Baw Baw Alpine Resort Management Board management matters;
- Any leasehold documents related to Mount Baw Baw Alpine Resort sites; and
- Plans, charts and other topographical data covering Mount Baw Baw Alpine Resort land.

Copies of the board's policy statements, annual reports, ministerially endorsed corporate plans and general information related to the board are available for inspection at the board's office and/or online at [www.mountbawbaw.com.au](http://www.mountbawbaw.com.au)

This literature is also available by mail at a minimum charge of \$27.20.

A person seeking access to a particular document held by the Board can write to the Freedom of Information Officer identified below, describing, in as much detail as possible, the nature of the document required, or can make an online request at [https://online.foi.vic.gov.au/foi/foi\\_request\\_details](https://online.foi.vic.gov.au/foi/foi_request_details)

An application fee of \$27.20 applies at the time of publication. All requests are required to be actioned within 45 days. The Freedom of Information Officer is responsible for the processing of these requests to finality, and may be contacted as follows:

#### Freedom of Information Officer

Mount Baw Baw Alpine Resort Management Board  
PO Box 117  
Rawson VIC 3825  
Phone: (03) 5165 1136

In the year ended 31 December 2016 there were no freedom of information requests, and there were no outstanding items from previous years.

## Victorian Information Privacy policy

The Mount Baw Baw Alpine Resort Management Board is committed to ensuring that the *Victorian Information Privacy Act 2000* is adhered to. The Act applies to all the Mount Baw Baw Alpine Resort Management Board operations including websites and emails. Our Privacy Policy is available to all staff, visitors and stakeholders as requested. A summary of the policy is also available on our website [mountbawbaw.com.au](http://mountbawbaw.com.au)

## Human rights

The Mount Baw Baw Alpine Resort Management Board is committed to upholding the principles of human rights as established by the United Nations. This applies to our dealings with our visitors, employers and service providers. Human rights are rights inherent to all human beings, whatever their nationality, place of residence, gender, national or ethnic origin, colour, religion, and or language.

# DECLARATION OF PECUNIARY INTERESTS

**A comprehensive register of private pecuniary interests is maintained. This contains details relating to members of the board and senior resort staff.**

## Fraud and corruption policy

The board has adopted a fraud and corruption policy and rigorously implements its prevention plan.

## Gifts, benefits and hospitality

**I, Allan Bawden certify that:**

- Mount Baw Baw Alpine Resort Management Board has policies and procedures in place that are consistent with the minimum requirements and accountabilities outlined in the Gifts, Benefits and Hospitality Framework issued by the Public Sector Commission.
- Staff and board members are informed about those gifts, benefits and hospitality policies and procedures; and
- The Audit and Risk Committee and/or the board reviews the operation of the policies and procedures at least once per year to ensure compliance.



**Allan Bawden PSM**

Chair

Mount Baw Baw Alpine Resort Management Board



### COMPLIANCE WITH PROTECTED DISCLOSURE ACT 2012

#### Application and Operation of the *Protected Disclosures Act 2012*

The *Protected Disclosures Act 2012* (“PD Act”) enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

#### What is a ‘protected disclosure’?

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.

Mount Baw Baw Alpine Resort Management Board is a “public body” for the purposes of the PD Act.

#### What is ‘improper or corrupt conduct’?

**Improper or corrupt conduct involves substantial:**

**Improper or corrupt conduct involves substantial:**

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

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

#### How do I make a ‘protected disclosure’?

You can make a protected disclosure about Mount Baw Baw Alpine Resort Management Board or its board members, officers, or employees by contacting Independent Broad-Based Anti-Corruption Commission on the contact details provided below.

Please note that Mount Baw Baw Alpine Resort Management Board is not able to receive protected disclosures.

#### How can I access Mount Baw Baw Alpine Resort Management Board’s procedures for the protection of persons from detrimental action?

DELWP has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about Mount Baw Baw Alpine Resort Management Board or its employees. You can access DELWP’s procedures on its website at <http://www.delwp.vic.gov.au/about-us/legislation/protected-disclosures>

#### Contacts

##### Independent Broad-Based Anti-Corruption Commission (“IBAC”) Victoria:

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

**Mail:** IBAC, GPO Box 24234, Melbourne Victoria 3001

**Website:** [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

**Telephone:** 1300 735 135

## DECLARATION OF PECUNIARY INTERESTS

### Victorian Industry Participation Policy Disclosures

In October 2003, the Victorian Parliament passed the *Victorian Industry Participation Policy Act 2003*, which requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy. Departments and public bodies are required to apply VIPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

In 2015-2016 there were no tenders to disclose based on these expenditures.

### Statement on National Competition Policy

Competitive neutrality is a guiding principle of the National Competition Policy and requires that government-owned businesses should compete with private sector businesses on the same footing. Mount Baw Alpine Resort Management Board is committed to this principle of the National Competition Policy and applies competitive neutrality policy to all significant activities where the benefits of competitive neutrality exceed the costs. This policy has a stated objective to achieve the most efficient provision of publicly provided goods and services. The board continues to implement this principle in accordance with Victorian Government Policy.

Purchases of goods and services are in line with the Victorian Government Purchasing Board's guidelines. This process ensures that goods and services are purchased using value for money as the guiding principle.

### Details of Shares held in Statutory Authority or Subsidiary

Not applicable. There are no shares of this nature in Mount Baw Alpine Resort.

### Consultancies and Contracts

The board outsourced a significant number of its activities during this year. Contractors engaged included Belgravia Leisure Pty Ltd which continued to provide management services covering the operation of the resort until 30 April, 2016, Lion Capital was engaged to March 2016 to provide Administration and Executive Services, Drive Climb Fly provided event management, LXD Business Solutions Pty Ltd was contracted to provide services in connection to the management and administration of the board's financial and accounting system. Chatterbox and Icon PR were engaged to provide marketing and public relations services.

The quantum of payments made to these contractors is disclosed in Note 22 (d) of the Notes to the financial statements.

### Disclosure of Major Contracts

There were no contracts greater than \$10 million entered into by the board during 2015-16.

## Details of Consultancies in Excess of \$10,000

Table 5

Consultant	Services provided	Expenditure in reporting period	Future commitment
Capire Consulting Group Pty Ltd	Engaged to provide stakeholder consultation for Southern Alpine Resorts Reform Project.	\$21,379	No future commitment
GHD	Engaged to provide Project Manager for Southern Alpine Resorts Reform Project.	\$89,222	No future commitment
Maurice Copsey	Advice on snow making equipment and assessment of ski lift infrastructure.	\$32,310	No future commitment
Tresscox	Legal services.	\$12,855	No future commitment

## Details of Consultancies under \$10,000

There were two consultancies, the expenditure on which was less than \$10,000. The total expenditure on these consultancies during 2015-16 was \$9,202.65.

## Government Advertising Expenditure

Government policy requires disclosure of all Government Advertising Expenditure with a total media buy of \$150,000 or greater (exclusive of GST). No "qualifying" Government Advertising Expenditure was incurred by Mount Baw Baw Alpine Resort Management Board during the 2015-16 reporting period.

## Subsequent events

The amendment to the Alpine Resorts (Management) Act became effective from 1 January 2017. The effect of this Act was to abolish the Mount Baw Baw Alpine Resort Management Board as of that date and create a new board, the Southern Alpine Resort Management Board. The new board took on all the rights and obligations and the employees of the board at that date.

## Information, Communications and Technology Expenditure

The Mount Baw Baw Alpine Resort Management Board is required to disclose its total Information and Communications Technology (ICT) expenditure for the reporting period of \$60,991.

## Capital Projects

There were no capital projects for the Mount Baw Baw Alpine Resort Management Board with a total investment exceeding \$10m completed or undertaken during the reporting period.

## DECLARATION OF PECUNIARY INTERESTS

### Compliance with Building Act 1993

There are seven buildings owned by the board, all conforming to building standards as at 31 December 2016.

#### Building Standards

There have been no building and construction activities in the resort during this reporting period.

Buildings in the resort are subject to regular maintenance and use. There is no evidence to suggest that all recently constructed buildings within the resort do not conform to building standards. There have been no major works on these buildings during the reporting period.

The buildings will be subject to regular inspection by resort operations staff and maintenance and rectification works will be carried out as required and identified. Any building practitioners engaged by the board to carry out building works within the resort (unless they are employees) are to be registered and to maintain that registration during the course of the works.

### Summary of Environmental Performance

There were no office-based environmental impacts in 2015-16.

### Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the board intends that data tables that it may produce in the future will be available at <http://www.data.vic.gov.au> in machine-readable format.

### Statement of Availability of Other Information

Information relevant to the headings listed in Financial Reporting Direction 22D of the *Financial Management Act 1994* is held at Mount Baw Baw Alpine Resort Management Board's office and is available on request, subject to the Freedom of Information Act 1982.

#### Further information can be obtained in writing from:

Mount Baw Baw Alpine Resort Management Board  
PO Box 117  
Rawson VIC 3825  
Phone: (03) 5165 1136

### General Information Requirements

#### Section 4.2(g) of the Standing Directions of the Minister for Finance states:

'The report of operations should include qualitative and quantitative information on the operations of the public sector agency and should be prepared on a basis consistent with the financial statements prepared by the public sector agency pursuant to the FMA. This report should provide users with general information about the entity and its activities, operational highlights for the reporting period, future initiatives and other relevant information not included in the financial statements.'

This Annual Report for Mount Baw Baw Alpine Resort Management Board meets this requirement.

# DECLARATION BY THE CHAIR AND THE ACCOUNTABLE OFFICER

## Sign-off requirement

The attached financial statements for Mount Baw Baw Alpine Resort Management Board have been prepared in accordance with Standing Direction 4.2 of 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 fourteen-month period ended 31 December 2016 and financial position of the board at 31 December 2016.

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 13 April 2017.



**Allan Bawden PSM**  
Chair  
Mount Baw Baw Alpine Resort  
Management Board

Melbourne  
13 April, 2017



**Philip Nunn**  
Accountable Officer/Chief Executive Officer  
Mount Baw Baw Alpine Resort  
Management Board

Melbourne  
13 April, 2017



Mount Baw Baw  
Alpine Resort  
Management Board

# INDEPENDENT AUDITORS REPORT



## INDEPENDENT AUDITOR'S REPORT

### To the Board of the Mount Baw Baw Alpine Resort Management Board

<b>Opinion</b>	<p>I have audited the financial report of the Mount Baw Baw Alpine Resort Management Board (the entity) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 31 December 2016</li> <li>• statement of comprehensive income for the period then ended</li> <li>• statement of changes in equity for the period then ended</li> <li>• cash flow statement for the period then ended</li> <li>• notes comprising a summary of significant accounting policies</li> <li>• declaration by the Chair and Accountable Officer.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 31 December 2016 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>The Auditor-General's independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Emphasis of matter</b>	<p>Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in note 1(q) and 26 to the financial statement, all Mount Baw Baw Alpine Resort Management Board's functions, employees, property and liabilities were transferred to Southern Alpine Resort Management Board on 1 January 2017, in line with the <i>Alpine Resorts (Management) Act 1997</i>.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

## Independent Auditor's Report (continued)

### 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE  
13 April 2017



Anna Higgs  
as delegate for the Auditor-General of Victoria



Mount Baw Baw  
Alpine Resort  
Management Board  
**FINANCIAL  
STATEMENTS**

FOR THE PERIOD ENDED  
31 DECEMBER 2016

**MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

		<b>2016</b>	<b>2015</b>
	Note	\$	Restated \$
<b>Income from transactions</b>			
Visitor fees	2(a)	1,399,985	1,919,478
Sale of goods and services	2(b)	848,949	1,218,098
Government funding	2(c)	3,891,338	3,543,763
Site & service charges	2(d)	608,336	528,554
Other revenue	2(e)	280,162	215,469
Interest	2(f)	7,746	6,135
<b>Total income from transactions</b>		<b>7,036,516</b>	<b>7,431,497</b>
<b>Expenses from transactions</b>			
Employee benefits	3(a)	2,683,033	634,611
Depreciation & amortisation expense	3(b)	1,180,540	1,075,302
Interest expense		9,387	18,241
Supplies and services	3(c)	1,081,533	811,741
Utilities expenses		1,023,524	662,755
Marketing expenses		556,187	519,647
Administration expenses		299,772	532,146
Contractor expenses	3(d)	804,879	2,915,863
Other operating expenses	3(e)	970,957	661,395
<b>Total expenses from transactions</b>		<b>8,609,812</b>	<b>7,831,701</b>
<b>Net result from transactions</b>		<b>(1,573,296)</b>	<b>(400,204)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on disposal of non-financial assets		-	13,676
Net gain/(loss) on financial instruments		(82,033)	-
Other gain/(loss) from other economic activities		541	(557)
<b>Total other economic flows included in net result</b>		<b>(81,492)</b>	<b>13,119</b>
<b>Net result</b>		<b>(1,654,788)</b>	<b>(387,085)</b>
<b>Other economic flows – other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	8(c)	2,866,370	-
<b>Total other economic flows – other comprehensive income</b>		<b>2,866,370</b>	<b>-</b>
<b>Comprehensive result</b>		<b>1,211,583</b>	<b>(387,085)</b>

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

MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD  
 BALANCE SHEET  
 AS AT 31 DECEMBER 2016

	Notes	2016 \$	2015 Restated \$
<b>Financial assets</b>			
Cash and cash equivalents	15	444,672	480,611
Receivables	4	210,566	288,333
<b>Total financial assets</b>		<b>655,238</b>	<b>768,944</b>
<b>Non-financial assets</b>			
Inventories	5	44,797	59,602
Prepayments	6	84,298	109,576
Property, infrastructure, plant and equipment	8	18,717,182	16,799,052
Intangibles	7	14,178	33,910
<b>Total non-financial assets</b>		<b>18,860,455</b>	<b>17,002,140</b>
<b>Total assets</b>		<b>19,515,693</b>	<b>17,771,084</b>
<b>Liabilities</b>			
Payables	9	926,570	528,558
Finance lease liabilities	10	58,095	142,379
Employee benefit provisions	11	164,682	192,660
Revenue in advance	12	27,777	37,500
<b>Total liabilities</b>		<b>1,177,124</b>	<b>901,097</b>
<b>Net assets</b>		<b>18,338,569</b>	<b>16,869,987</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		(2,100,278)	(445,490)
Physical asset revaluation surplus	21	14,702,744	11,836,374
Contributed capital	13	5,736,103	5,479,103
<b>Net worth</b>		<b>18,338,569</b>	<b>16,869,987</b>

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

**MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD**

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2016

	<i>Accumulated surplus / (deficit)</i>	<i>Physical asset revaluation surplus</i>	<i>Contributed capital</i>	<i>TOTAL</i>
	\$	\$	\$	\$
<b>Balance at 31 October 2014</b>	(58,405)	<b>11,836,374</b>	<b>5,423,702</b>	<b>17,201,671</b>
Net result for the year	(367,157)	-	-	(367,157)
Capital appropriations	-	-	55,401	55,401
Prior period adjustments	(19,928)	-	-	(19,928)
<b>Balance at 31 October 2015</b>	(445,490)	11,836,374	5,479,103	16,869,987
Net result for the year	(1,654,788)	-	-	(1,654,788)
Net change in revaluation reserves	-	2,866,370	-	2,866,370
Capital appropriations	-	-	257,000	257,000
<b>Balance at 31 December 2016</b>	(2,100,279)	<b>14,702,744</b>	<b>5,736,103</b>	<b>18,338,569</b>

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

MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government		3,985,431	3,543,763
Receipts in the course of operations		3,274,751	4,916,610
GST Recovered from the ATO		138,391	203,812
Interest received		7,406	6,135
<b>Total receipts</b>		<b>7,405,979</b>	<b>8,670,320</b>
<b>Payments</b>			
Payments to suppliers for goods and services		(3,916,716)	(4,023,481)
Payments to and on behalf of employees		(2,295,156)	(670,204)
Payments to contractors		(1,160,048)	(3,207,449)
Interest paid		(8,892)	(18,241)
<b>Total payments</b>		<b>(7,380,812)</b>	<b>(7,919,375)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>14</b>	<b>25,167</b>	<b>750,945</b>
<b>Cash flows from investing activities</b>			
Sale of non-financial assets		-	25,482
Purchase of non-financial assets		(233,822)	(368,301)
<b>Net cash flows from/(used in) investing activities</b>		<b>(233,822)</b>	<b>(342,819)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	(6,415)
Repayment of finance leases		(84,285)	(121,638)
Owner contributions by State Government – appropriation for capital expenditure purposes		257,000	55,401
<b>Net cash flows from/(used in) financing activities</b>		<b>172,715</b>	<b>(72,652)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(35,940)</b>	<b>335,474</b>
Cash and cash equivalents at beginning of financial year		480,611	145,137
<b>Cash and cash equivalents at end of financial year</b>	<b>15</b>	<b>444,671</b>	<b>480,611</b>

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

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

#### Note 1: Statement of significant accounting policies

The Mount Baw Baw Alpine Resort Management Board (the Board) was established pursuant to the *Alpine Resorts (Management) Act 1997* (the Act), which outlines the functions, responsibilities and requirements of the Board.

The annual financial statements represent the audited general purpose financial statements for the Board for the fourteen month period ending 31 December 2016.

The reporting period covered in the Financial Statements is 1 November 2015 to 31 December 2016. There has been a ministerial directive from the Minister of Finance & Multicultural Affairs, Robin A Scott MP, to change the financial year from 31 October close to 31 December 2016. Therefore, the current reporting period is now 14 months against a 12 month comparative.

The purpose of the Financial Statements is to provide users with information about the Board's stewardship of resources entrusted to it.

#### a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the financial reporting requirements of the *Financial Management Act 1994* (FMA) and applicable Accounting Standards (AASs) 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 AASs paragraphs applicable to not-for-profit entities have been applied.

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

These annual financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SD) authorised by the Minister for Finance. The financial report has been prepared on a going concern basis despite the transfer of operations to Southern Alpine Resort Management Board on 1 January 2017 following legislative changes in the *Alpine Resorts Legislation Amendment Act 2016* to abolish the Board at that date. Refer to Note 26 for more information.

These annual financial statements were authorised for issue by the Board on 13 April 2017.

#### b) Basis of preparation

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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates, relate to

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(j)); and
- superannuation expense (refer Note 1(f))

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

Consistent with AASB 13 Fair Value Measurement, the Board determines the policies and procedures for both recurring fair value measurements such as property, infrastructure, plant and equipment in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets 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 Board has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, the Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level of input that is significant to the fair valuation measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the Board's independent valuation agency. The Board, in conjunction with VGV, monitors changes in the fair value through relevant data sources to determine whether revaluation is required.

### c) Reporting entity

The financial statements cover the Board as an individual reporting entity. The Board is an entity established under the *Alpine Resorts (Management) Act 1997*. Its principal address was:

#### **Mount Baw Baw Alpine Resort Management Board**

Mount Baw Baw VIC 3833

The Board was a public body acting on behalf of the Crown, and reporting to the Department of Environment, Land, Water and Planning (DELWP).

#### **Objectives**

The overall objective of the Board was to develop, promote, manage and use Mount Baw Baw in an environmentally and financially sustainable way for alpine recreation and tourism in all seasons by persons from varied cultural and economic groups.

The objectives and funding that were previously the responsibility of Mount Baw Baw Alpine Resort Management Board were transferred to the Southern Alpine Resort Management Board on 1 January 2017. There will be no funding provided directly to Mount Baw Baw Alpine Resort Management Board post that date.

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### d) Scope and presentation of financial statements

#### Statement of Comprehensive Income

The Statement of Comprehensive Income comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'.

The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market re-measurements. They include:

- Gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets;
- Gains and losses from impairment of financial instruments
- Gains and losses from revaluation of long service leave entitlements

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

#### Balance Sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if the Board does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

#### Cash Flow Statement

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*.

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

#### Statement of Changes in Equity

The Statement of Changes in Equity presents reconciliations of each non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'comprehensive result' and amounts related to 'transactions with owner in its capacity as owner'.

#### Rounding of amounts

Amounts in the financial statements (including the notes) have been rounded to the nearest dollar, unless otherwise stated. Figures in the financial statements may not equate exactly due to rounding.

### e) Income from transactions

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

#### Visitor fees

Revenue is recognised at the point of sale and/or when services are rendered or when a rate/tariff is fixed for service charges levied under Section 13 of the Act. Infringements are issued to guests who do not pay their visitor fees under the *Road Safety Act 1986* and the *Road Safety (General) Regulations 2009*.

#### Sale of goods and services

Income from the sale of goods is recognised when:

- the Board no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer;

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

- the Board no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured; and
- it is probable that the economic benefit associated with the transaction will flow to the Board.

Sale of goods and services includes food and beverage, merchandise, ski school lessons and accommodation.

### **Government funding**

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

For reciprocal grants (i.e. equal value is given back by the Board to the provider), the Board is deemed to have assumed control when the Board has satisfied its performance obligations under the terms of the grant. For non-reciprocal grants, the Board is deemed to have assumed control when the grant is receivable or received. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

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

### **Site & service charges**

Site rental is recognised under the terms and conditions of each lease and in accordance with the Board's role as a Committee of Management of any Crown land deemed to be permanently reserved under the *Crown Lands Reserve Act 1978*. Service charges are imposed on an annual basis, and revenue is recognised as income when an invoice is raised by the Board.

### **Other revenue**

Other revenue includes income from fuel tax credits, agreement with a third party for supply of electricity and minor miscellaneous items received outside normal operating revenue.

### **Interest**

Interest income includes interest received on bank and term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

## **f) Expenses from transactions**

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

### **Employee benefits**

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

### **Superannuation**

The amount recognised in the Statement of Comprehensive Income in relation to employer contributions is simply the employer contributions that are paid or payable to these plans during the reporting period.

### **Depreciation and amortisation expense**

All infrastructure assets, buildings, plant and equipment (excluding items under operating leases and land) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

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

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

The following table indicates the typical estimated useful lives for the different asset classes used in 2015 and 2016 financial years:

	2016	2015
Buildings and improvements	9 to 55 years	9 to 55 years
Plant and equipment	2 to 20 years	2 to 20 years
Land management	4 to 70 years	4 to 70 years
Water & sewerage infrastructure	20 to 80 years	20 to 80 years
Ski lifts	2 to 30 years	2 to 30 years

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect to land assets because their service potential has not, in any material sense, been consumed during the reporting period.

#### **Interest expense**

Interest expense is recognised in the period in which it is incurred and includes finance lease charges.

#### **Other operating expenses**

Other operating expenses generally represent the day to day running costs incurred in normal operations.

#### **Supplies and services**

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for sale or use are expensed when sold, consumed or otherwise disposed of.

#### **Utilities expenses**

Utilities expenses are recognised as an expense in the reporting period and represent electricity and gas consumed for the operation of the resort.

#### **Marketing expenses**

Marketing expenses are recognised as an expense in the reporting period and represent media promotion, event organisation and general advertising.

#### **Administration expenses**

Administration expenses are recognised as an expense in the reporting period and represent costs in relation to motor vehicle, telephone and other general overhead expenses.

#### **Contractor expenses**

The Board continued to contract the management and operation of the resort to Belgravia Health & Leisure Group Pty Ltd, a private operator pursuant to the Short Term Management Agreement. The contractor expenses relating to Belgravia Health & Leisure Group Pty Ltd, included the management fee payable to that company, and payment for employee benefits by that company, and purchasing goods and services connected to the cost effective operation of the resort, this agreement ended on 30 April 2016. The Board continued to contract Lion Capital Advisory Pty Ltd to provide executive services to the Board until 30 April 2016. The Board engaged LXD Business Solutions to provide financial management services to the Board from 1 April 2016.

#### **g) Other economic flows included in the net result**

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

#### **Net gain/(loss) on non-financial assets**

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 1(j) Property, infrastructure, plant and equipment.
- **Net gain/(loss) on disposal of non-financial assets**

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

#### **Impairment of non-financial assets**

All assets are assessed annually for indications of impairment, except for inventories (refer Note 1(j)).

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

#### **Other gains/(losses) from other economic flows**

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

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and

#### **h) Financial instruments**

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

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

#### **Loans and receivables**

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(i)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Fair value is determined in the manner described in Note 23 Financial instruments.

Available-for-sale category includes certain equity investments and those debt securities that are designated as available-for-sale.

#### **i) Financial assets**

##### **Cash and cash equivalents**

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 with an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents.

##### **Receivables**

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services and accrued investment income; and

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

- statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as receivables at amortised cost. Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

#### **Impairment of financial assets**

At the end of each reporting period, the Board assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence may include financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows' in the net result.

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

#### **j) Non-financial assets**

##### **Inventories**

Inventories comprise goods held for sale and supplies and consumables used in the consumption in the ordinary course of resort operations. Inventories are measured at the lower of cost and net realisable value.

##### **Property, infrastructure, plant and equipment**

Property, plant and equipment includes land, buildings, roads, infrastructure, plant, equipment, furniture and motor vehicles. Items with a cost or value in excess of \$1,000 and a useful life to the Board of more than one year are capitalised.

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 acquired for no or nominal cost, the cost is its fair value at the date of acquisition. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 8 Property, infrastructure, plant and equipment.

Non-financial physical assets such as land are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

The cost of constructed 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.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(l)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent to the initial recognition as assets, all non-current physical assets are measured at fair value. Revaluations are made with sufficient regularity to ensure that the carrying amount of each

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

asset does not differ materially from its fair value at the reporting date. Values are assessed annually and supplemented by independent assessments. All assets are tested for indication of impairment on an annual basis. Such assets are tested to ascertain whether the carrying amount exceeds their recoverable amount. Revaluations are conducted in accordance with Financial Reporting Direction (FRD) 103F - Non-current physical assets. The most recent formal valuation was undertaken as at 31 December 2016.

The fair value of infrastructure systems, including roads, and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost.

Revaluation increments are credited to a revaluation reserve, decrements are debited to that revaluation reserve providing there is available increments previously credited. Decrements where there is no existing reserve balance are recognised as an expense in the Statement of Comprehensive Income.

The revaluation of buildings, roads and infrastructure has been accounted for using the net method whereby the accumulated depreciation at the date of the valuation is eliminated against the carrying amount of the asset with the net difference adjusted directly to the asset revaluation reserve.

The Board undertook a formal revaluation of its land assets using the 'fair value' methodology. The revaluation was performed by the Valuer-General Victoria. Under fair value the Board's interest in the Crown's leasehold land is measured based on a direct market comparison approach, whereby the subject properties are compared to recent land sales. Broad area land values have been applied to the other areas of the Board's controlled area based on comparable sales evidence methodology. The addition of these values represents the fair value of the land assets under the Board's control. The figures do not include any improvement values.

The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated cost, given the relatively short lives of these assets.

In accounting for the sale of property, plant and equipment only the net profit/(loss) on disposal is shown on the Statement of Comprehensive Income as required under AASs.

#### **Intangible assets**

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Board.

Intangible produced assets with finite useful lives are depreciated as an expense from transactions on a straight-line basis over the asset's useful life. Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The typical estimated useful lives for the intangible produced assets of capitalised software development costs for current and prior years are 3 years.

#### **Prepayments**

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

#### **k) Liabilities**

##### **Payables**

Payables consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to the Board prior to the end of the financial year that are unpaid, and arise when the Board becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables 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 a contract.

#### **Borrowings**

Interest bearing liabilities are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs.

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the interest bearing liability using the effective interest rate method.

#### **Revenue in advance**

Revenue received in advance is recorded as liability until services have been rendered. As the services are delivered over time, it is recognised as revenue on the income statement.

#### **Employee benefits provisions**

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date.

##### **(i) Annual leave**

Liabilities for wages and salaries, including non-monetary benefits annual leave, are all recognised in the provision for employee benefits as "current liabilities", because the Board does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave are measured at:

- Nominal value if the Board expects to wholly settle within 12 months; or
- Present value if the Board does not expect to wholly settle within 12 months.

##### **(ii) Long service leave**

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

Unconditional LSL (representing seven or more years of continuous service) is disclosed as a current liability, even where the Board does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Nominal value if the Board expects to wholly settle within 12 months; and
- Present value if the Board does not expect to wholly settle within 12 months.

Conditional LSL (representing less than seven years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

#### **l) Leases**

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### **Finance leases**

#### *The Board as lessee*

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

### **Operating leases**

#### *The Board as lessor*

Rental income from operating leases are recognised on a straight-line basis over the term of the relevant lease.

#### *The Board as lessee*

Operating lease payments, including any contingent rentals, are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

## **m) Equity**

### **Contributions by owners**

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

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

## **n) Commitments**

Commitments for future expenditure include operating commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 16 Commitments) at their nominal value and inclusive of the GST payable.

## **o) Contingent assets and contingent liabilities**

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

## **p) Accounting for the goods and services tax (GST)**

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it 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.

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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.

#### q) **Going concern**

Whilst these statements have been prepared on a going concern basis, the Alpine Resorts Legislation Amendment Act 2016 ("the Act") commenced from 1 January 2017. As a result of the Act, the Mount Baw Baw Alpine Management Resort Board ("the Board") was abolished as of 1 January and all rights, property, assets vested in the Board vest, from that date, in the Southern Alpine Resort Management Board ("the new Board"). All debt, liabilities and obligations of the Board are the debts, liabilities and obligations of the new Board. Similarly the new Board have become the party to any court or tribunal proceeding to which the Board was a party on 31 December 2016, and the new Board has replaced the Board as the party to any contract. Furthermore, all employees of the Board became employees of the new Board as from 1 January. The new Board have employed staff on the same terms and conditions that applied immediately prior to 1 January, and all accrued entitlements of the Board employees, transferred to the new Board.

#### r) **Correction of a prior period error**

During the 2014-15 financial year, Mount Baw Baw Resort Management Board inadvertently omitted some expenditure incurred prior to that year end. This error had the effect of overstating profit for the year ended 31 October 2015 by \$19,928. The error also had the effect of understating accrued expenses and accumulated surplus as at 31 October 2015 by \$19,928.

The error has been corrected by restating each of the affected financial statement line items for the year in which the error occurred, as described above.

#### s) **Subsequent Events**

Assets, liabilities, income and expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Board and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date.

Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to condition which arose after the reporting date that may have a material impact on the results of subsequent years.

#### t) **New Accounting Standards for application in future periods**

Certain new AASs have been published that are not mandatory for the 31 December 2016 reporting period. Department of Treasury and Finance assesses the impact of these new standards and advises of their applicability and early adoption where applicable.

As at 31 December 2016, all new accounting standards and interpretations that had been issued but classified as not mandatory for the financial year ended 31 December 2016 had been considered, and while the impact of some standards was still to be assessed, the likely impact is not considered to be significant.

MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.  While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2017  (Exposure Draft 263 – potential deferral to 1 Jan 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014 1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.

MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.  Cash paid for the principal portion of the lease liability will be presented within financing activities and the interest paid will be presented within operating activities in the cash flow statement.
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MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

<b>Note 2: Income from transactions</b>	2016	2015
	\$	\$
<b>(a) Visitor fees</b>		
Resort entry fees	530,231	683,488
Ski field income	494,906	905,464
Accommodation/guest services	374,848	330,526
<b>Total revenue from visitor fees</b>	<b>1,399,985</b>	<b>1,919,478</b>
<b>(b) Sale of goods and services</b>		
Food and beverage	816,650	965,479
Retail sales	32,299	252,619
<b>Total sale of goods and services</b>	<b>848,949</b>	<b>1,218,098</b>
<b>(c) Government funding</b>		
Department of Environment, Land, Water and Planning support payments	3,766,338	3,543,763
Southern Alpine Resort Project Funding	125,000	-
<b>Total Government funding</b>	<b>3,891,338</b>	<b>3,543,763</b>
<b>(d) Site &amp; service charges</b>		
Annual service charge	528,322	395,814
Site rental	80,014	132,740
<b>Total revenue from site &amp; service charges</b>	<b>608,336</b>	<b>528,554</b>
<b>(e) Other revenue</b>		
Marketing	27,439	24,774
Miscellaneous	90,046	16,111
Commission received	105,794	98,241
Staff accommodation	56,883	76,343
<b>Total other revenue</b>	<b>280,162</b>	<b>215,469</b>
<b>(f) Interest</b>		
Interest on bank deposits	7,746	6,135
<b>Total interest revenue</b>	<b>7,746</b>	<b>6,135</b>
<b>Note 3: Expenses from transactions</b>	2016	2015
	\$	\$
<b>(a) Employee benefits</b>		
Superannuation	207,638	60,066
Salaries, wages, annual leave and long service leave	2,380,330	545,305
FBT and payroll tax	95,066	29,240
<b>Total employee benefits</b>	<b>2,683,033</b>	<b>634,611</b>
<b>(b) Depreciation &amp; amortisation expense</b>		
Buildings	301,253	257,736
Plant and equipment	213,848	219,854
Water and sewerage infrastructure	65,182	52,116
Land management infrastructure	429,225	403,740
Ski lift infrastructure	151,300	129,720
Intangible produced assets	19,732	12,136
<b>Total depreciation &amp; amortisation expense</b>	<b>1,180,540</b>	<b>1,075,302</b>

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### Note 3: Expenses from transactions (cont)

#### (c) Supplies and services

	2016	2015
	\$	\$
Food & beverage purchases and consumables	340,248	424,770
Consultancy services for EOI Project	300,728	-
Accommodation supplies and services	81,533	124,033
Other supplies and services	359,024	262,938

<b>Total supplies and services</b>	<b>1,081,533</b>	<b>811,741</b>
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#### (d) Contractor expenses

Resort operations	735,240	2,672,115
Other operational & administrative support	69,639	243,748

<b>Total contractor expenses</b>	<b>804,879</b>	<b>2,915,863</b>
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#### (e) Other operating expenses

Audit fees – Note 20	90,145	99,481
Insurance	176,144	128,765
Repairs and maintenance	495,294	172,797
Gate entry and lift expenses	184,304	260,352
Other	25,070	-

<b>Total other operating expenses</b>	<b>970,957</b>	<b>661,395</b>
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### Note 4: Receivables

#### Receivables

##### Contractual

	2016	2015
	\$	\$
Debtors	119,120	221,286
Provision for doubtful debts	(90,236)	-
Accrued Revenue	106,496	-
Sundry debtors	6,800	30,158

	<b>142,180</b>	<b>251,444</b>
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##### Statutory

GST receivable	68,387	36,889
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<b>Total receivables</b>	<b>210,567</b>	<b>288,333</b>
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#### (a) Movement in the provision for doubtful debts

##### Opening balance

Reversal of provision of receivables previously written off as uncollectible	-	(3,097)
Increase in provisions recognised in the net result	(90,236)	-

<b>Closing balance</b>	<b>(90,236)</b>	<b>-</b>
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### Note 5: Inventories

	2016	2015
	\$	\$
Supplies & consumables - fuel (at cost)	6,332	6,956
Inventories held for sale (at cost)	38,464	52,646

<b>Total inventories</b>	<b>44,797</b>	<b>59,602</b>
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### Note 6: Prepayments

	2016	2015
	\$	\$
Prepaid insurance	84,298	98,306
Prepaid expenses - other	-	11,270

<b>Total prepayments</b>	<b>84,298</b>	<b>109,576</b>
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MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

**Note 7: Intangible assets**

	2016	2015
Gross carrying amount	\$	\$
Opening balance	50,963	28,818
Additions from internal development – computer software	-	22,145
<b>Closing balance</b>	<b>50,963</b>	<b>50,963</b>
Accumulated amortisation (i)		
<b>Opening balance</b>	<b>(17,053)</b>	<b>(4,917)</b>
Amortisation of intangible produced assets	(19,732)	(12,136)
<b>Closing balance</b>	<b>(36,785)</b>	<b>(17,053)</b>
<b>Net book value at end of financial year</b>	<b>14,178</b>	<b>33,910</b>

(i) The consumption of produced intangible assets is included in 'depreciation' line item on the Statement of Comprehensive Income.

**Note 8: Property, infrastructure, plant and equipment**

**8a Gross carrying amount and accumulated depreciation**

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Land at fair value	2,434,000	3,891,660	-	-	2,434,000	3,891,660
Buildings at fair value	7,891,662	7,130,486	-	(1,028,687)	7,891,662	6,101,799
Plant and equipment at fair value	1,896,153	1,747,088	(1,111,515)	(897,665)	784,638	849,422
Water and sewerage infrastructure at fair value	2,399,918	2,177,200	(2,709)	(208,386)	2,397,209	1,968,814
Roads and car parks infrastructure and land management at fair value	2,637,789	3,268,318	-	(1,554,920)	2,637,789	1,713,397
Ski lift infrastructure at fair value	2,570,525	2,719,842	-	(505,560)	2,570,525	2,214,282
Assets under construction at cost	-	59,678	-	-	1,359	59,678
<b>Total property, infrastructure, plant and equipment</b>	<b>19,830,047</b>	<b>20,994,272</b>	<b>(1,114,224)</b>	<b>(4,195,218)</b>	<b>18,717,182</b>	<b>16,799,052</b>

**8b Classification by 'purpose groups'**

All assets in a purpose group are further sub categorized according to the asset's 'nature' (ie buildings, plant and equipment etc.) with each sub category being classified as a separate class of assets for financial reporting purposes.

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### 8c Movements in carrying amounts

	2016	Carrying amount - start of year	Additions	Disposals	Transfers	Revaluation (i)	Depreciation expense	Carrying amount - end of year
		\$	\$	\$		\$	\$	\$
Land		3,891,660	-	-	-	(1,457,660)	-	2,434,000
Buildings		6,101,799	12,967	-	-	2,078,149	(301,253)	7,891,662
Plant and equipment		849,422	149,064	-	-	-	(213,848)	784,638
Assets under construction at cost		59,678	2,522	-	- 60,842	-	-	1,358
Water and sewerage infrastructure		1,968,814	48,014	-	60,842	384,722	(65,182)	2,397,210
Roads and car parks infrastructure and land management		1,713,397	-	-	-	1,353,617	(429,225)	2,637,789
Ski lift infrastructure		2,214,282	-	-	-	507,543	(151,300)	2,570,525
<b>Total</b>		<b>16,799,052</b>	<b>212,567</b>	<b>-</b>	<b>-</b>	<b>2,866,371</b>	<b>(1,160,808)</b>	<b>18,717,182</b>

	2015	\$	\$	\$		\$	\$	\$
Land		3,891,660	-	-	-	-	-	3,891,660
Buildings		6,359,535	-	-	-	-	(257,736)	6,101,799
Plant and equipment		794,604	285,360	(10,688)	-	-	(219,854)	849,422
Assets under construction at cost		-	59,678	-	-	-	-	59,678
Water and sewerage infrastructure		2,020,930	-	-	-	-	(52,116)	1,968,814
Roads and car parks infrastructure and land management infrastructure		2,117,137	-	-	-	-	(403,740)	1,713,397
Ski lift infrastructure		2,344,002	-	-	-	-	(129,720)	2,214,282
<b>Total</b>		<b>17,527,868</b>	<b>345,038</b>	<b>- 10,688</b>	<b>-</b>	<b>-</b>	<b>(1,063,166)</b>	<b>16,799,052</b>

(i) Fair value assessments have been performed for all classes of assets in this purpose group.

MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

**8d Fair value measurement hierarchy for assets as at 31 December 2016**

There have been no transfers between levels during the period.

	Carrying amount as at	Fair value measurement at end of reporting period using:			Carrying amount as at	Fair value measurement at end of reporting period using:		
	31-Dec-16	Level 1	Level 2	Level 3	31-Oct-15	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Land at fair value</b>								
Specialised land	555,000	-	-	555,000	648,240	-	-	648,240
Non-specialised land	1,879,000	-	1,701,000	178,000	3,243,420	-	3,243,420	-
<b>Total land at fair value</b>	<b>2,434,000</b>	<b>-</b>	<b>1,701,000</b>	<b>733,000</b>	<b>3,891,660</b>	<b>-</b>	<b>3,243,420</b>	<b>648,240</b>
<b>Buildings at fair value</b>								
Specialised buildings	7,891,662	-	-	7,891,662	6,101,799	-	-	6,101,799
<b>Total buildings at fair value</b>	<b>7,891,662</b>	<b>-</b>	<b>-</b>	<b>7,891,662</b>	<b>6,101,799</b>	<b>-</b>	<b>-</b>	<b>6,101,799</b>
<b>Plant and equipment at fair value</b>								
Plant and equipment	784,638	-	-	784,638	849,422	-	-	849,422
<b>Total plant and equipment at fair value</b>	<b>784,638</b>	<b>-</b>	<b>-</b>	<b>784,638</b>	<b>849,422</b>	<b>-</b>	<b>-</b>	<b>849,422</b>
<b>Infrastructure at fair value</b>								
Water infrastructure	1,364,667	-	-	1,364,667	1,465,592	-	-	1,465,592
Sewerage infrastructure	1,035,251	-	-	1,035,251	503,222	-	-	503,222
Roads and car parks infrastructure	2,188,766	-	-	2,188,766	1,393,832	-	-	1,393,832
Land Management infrastructure	669,680	-	-	669,680	319,565	-	-	319,565
Ski Lifts infrastructure	2,570,525	-	-	2,570,525	2,214,282	-	-	2,214,282
<b>Total infrastructure at fair value</b>	<b>7,828,889</b>	<b>-</b>	<b>-</b>	<b>7,828,889</b>	<b>5,896,493</b>	<b>-</b>	<b>-</b>	<b>5,896,493</b>

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### **Specialised land and specialised buildings**

Specialised land is valued using the market approach, adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

Under the market approach to valuation, the assets are compared to recent comparable sales or sales of comparable assets, which are considered to have nominal or no added improvement value. The valuation of such assets is performed by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued.

The CSO adjustment is a reflection of the value's assessment of the impact of restrictions associated with an asset to the extent that it is also equally attributable 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.

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

An independent valuation of specialised land and buildings was performed by the Valuer-General Victoria (VGV). The effective date of the valuation is 31 December 2016.

### **Non-specialised land**

For non-specialised land, an independent valuation was performed by the VGV to determine the fair value using the income approach. Valuation of the assets was determined by adopting the site value for each leased site then calculating the present value of the income combined with the reversion value of the site at the expiration of the current site lease term. The effective date of the valuation is 31 December 2016.

To the extent that non-specialised land does not contain significant, unobservable adjustments, these assets are classified as Level 2.

### **Infrastructure**

Infrastructure assets, including land management infrastructure, are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

An independent valuation of the Board's infrastructure assets was performed by the VGV. The valuation was performed based on the depreciated replacement costs of the assets. The effective date of the valuation is 31 December 2016.

### **Plant and equipment**

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

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

MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

8e Reconciliation of Level 3 fair value

2016	Specialised land	Specialised buildings	Plant and equipment	Water & Sewerage infrastructure	Land management infrastructure	Roads and car parks infrastructure	Ski lift infrastructure	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	648,240	6,101,799	849,422	1,968,814	319,565	1,393,832	2,214,282	13,495,954
Additions	-	12,967	149,064	48,014	-	-	-	210,045
Transfers from WIP				60,841				60,841
Disposals	-	-	-	-	-	-	-	-
Transfers in (out) of Level 3	178,000	-	-	-	-	-	-	178,000
Depreciation	-	(301,253)	(213,848)	(65,182)	(43,032)	(386,193)	(151,300)	(1,160,808)
Revaluations	(93,240)	2,078,149	-	384,722	393,147	1,181,127	507,543	4,451,448
Closing balance	733,000	7,891,662	784,638	2,397,209	669,680	2,188,766	2,570,525	17,235,480

8f Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
<b>Specialised land</b>	Market approach	Community Service Obligation (CSO) adjustment
<b>Specialised buildings</b>	Depreciated replacement cost	Replacement cost per square metre
		Useful life of specialised buildings
<b>Plant and equipment</b>	Replacement cost	Cost per unit
		Useful life of plant and equipment
<b>Infrastructure – Water</b>	Depreciated replacement cost	Cost per unit
		Useful life of the infrastructure
<b>Infrastructure – Sewerage</b>	Depreciated replacement cost	Cost per unit
		Useful life of the infrastructure
<b>Infrastructure – Land management</b>	Depreciated replacement cost	Cost per unit
		Useful life of the infrastructure
<b>Infrastructure – Roads and car parks</b>	Depreciated replacement cost	Cost per unit
		Useful life of the infrastructure
<b>Infrastructure – Ski lift</b>	Depreciated replacement cost	Cost per unit
		Useful life of the infrastructure

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### Note 9: Payables

	2016	2015
	\$	\$
<i>Contractual</i>		
Creditors	18,670	457,830
Accruals	377,892	61,091
<b>Total contractual payables</b>	<b>396,561</b>	<b>518,921</b>
<i>Statutory</i>		
PAYG-withholding payable	128,626	9,586
Superannuation payable	27,401	51
Amounts owed to the Australian Taxation Office	373,982	-
<b>Total statutory payables</b>	<b>530,008</b>	<b>9,637</b>
<b>Total payables</b>	<b>926,570</b>	<b>528,558</b>

### Maturity analysis of contractual payables

Please refer to Note 23(b) for the maturity analysis of contractual payables.

### Note 10: Finance lease liabilities

		2016	2015
		\$	\$
<i>Current</i>			
Net finance lease liability (i)	Note 16	45,944	76,858
<b>Total current borrowings</b>		<b>45,944</b>	<b>76,858</b>
<i>Non-current</i>			
Net finance lease liability (i)	16	12,151	65,521
<b>Total non-current borrowings</b>		<b>12,151</b>	<b>65,521</b>
<b>Total finance lease liabilities</b>		<b>58,095</b>	<b>142,379</b>

(i) Secured by the assets leased. Finance leases (i) are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(ii) The responsibility for any ongoing lease commitments will transfer from Mount Baw Baw Alpine Resort Management Board to Southern Alpine Resort Management Board from 1 January 2017.

### Note 11: Employee benefit provisions

	2016	2015
	\$	\$
<b>Current provisions</b>		
<i>Employee benefits</i>		
<i>Annual Leave</i>		
Unconditional and expected to be wholly settled within 12 months	54,258	72,307
Unconditional and expected to be wholly settled after 12 months	26,433	30,466
<i>Long Service Leave</i>		
Unconditional and expected to be settled within 12 months	40,810	14,891
<b>Total current employee benefits</b>	<b>121,501</b>	<b>117,664</b>
<i>Provisions related to employee benefits on-costs</i>		
<i>Annual Leave</i>		
Unconditional and expected to be wholly settled within 12 months	8,702	11,600
Unconditional and expected to be wholly settled after 12 months	4,240	4,888
<i>Long Service Leave</i>		
Unconditional and expected to be settled after 12 months	6,801	2,481
<b>Total current employee benefits on-costs</b>	<b>19,743</b>	<b>18,969</b>
<b>Total current provisions</b>	<b>141,244</b>	<b>136,633</b>
<b>Non-current provisions</b>		
Employee benefits - Long Service Leave	20,090	49,667
Provisions related to employee benefit on-costs - Long Service	3,348	6,360
<b>Total non-current provisions</b>	<b>23,438</b>	<b>56,027</b>
<b>Total employee benefit provisions</b>	<b>164,682</b>	<b>192,660</b>

MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

**Note 11: Employee benefit provisions (cont)**

**(a)**

Current employee benefits		
Annual leave entitlements (including leave loading)	78,483	95,740
Time in Lieu entitlements	2,208	7,033
Unconditional long service leave entitlements	40,810	14,891
Non-current employee benefits	-	
Conditional long service leave entitlements	20,090	49,667
<b>Total employee benefits</b>	<b>141,591</b>	<b>167,331</b>
Current on-costs	19,743	18,969
Non-current on-costs	3,348	6,360
<b>Total on-costs</b>	<b>23,091</b>	<b>25,329</b>
<b>Total employee benefits and related on-costs</b>	<b>164,682</b>	<b>192,660</b>

**(b) Movement in provisions (on-costs)**

<b>Opening balance</b>	<b>25,329</b>	<b>32,871</b>
Additional provisions recognised	9,706	12,622
Reductions arising from payments/other sacrifices of future economic benefits	(11,403)	(20,721)
Effect of change in discount rates	(541)	557
<b>Closing balance</b>	<b>23,091</b>	<b>25,329</b>
Current	19,743	18,969
Non-current	3,348	6,360
<b>Closing balance</b>	<b>23,091</b>	<b>25,329</b>

**Note 12: Revenue in advance**

	2016	2015
	\$	\$
Current		
Lease revenue received in advance	8,333	8,333
<b>Total current</b>	<b>8,333</b>	<b>8,333</b>
Non-current		
Lease revenue received in advance	19,444	29,167
<b>Total non-current</b>	<b>19,444</b>	<b>29,167</b>
<b>Total revenue in advance</b>	<b>27,777</b>	<b>37,500</b>

**Note 13: Contributed capital**

The equity from the Alpine Resorts was allocated during 1998 by the Minister for Conservation and Land Management pursuant to section 59 of the *Alpine Resorts (Management) Act 1997*. The allocation received from the Alpine Resorts Commission included revenue and capital items. An amount of \$4,066,078 represents the capital portion of the contribution received from the Alpine Resorts Commission as at 30 April 1998. This amount is included in the total contributed capital at 31 December 2016 of \$5,736,103. Equity and movements in equity are summarised in the Statement of Changes in Equity. Pursuant to Financial Reporting Direction No 2A (FRD 119A *Transfers through Contributed Capital*) under the Financial Management Act 1994, the Board received \$257,000 contributed capital from DELWP during the reporting period (2015: \$55,401).

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### Note 14: Cash flow information

Reconciliation of results to net cash flows from/(used in) operating

#### Net result

#### Non-cash movements

Depreciation/amortisation expense

Loss/(gain) on disposal of non-financial physical assets

Net (gain)/loss on financial instruments

#### Movements in assets and liabilities

Decrease/(increase) in receivables

Decrease/(increase) in inventories

Decrease/(increase) in prepayments

Increase/(decrease) in payables

Increase/(decrease) in provisions

Increase/(decrease) in revenue received in advance

#### Net cash flows from/(used in) operating activities

	2016	2015
	\$	\$
Net result	(1,654,788)	(387,085)
<b>Non-cash movements</b>		
Depreciation/amortisation expense	1,180,540	1,075,302
Loss/(gain) on disposal of non-financial physical assets	-	(13,676)
Net (gain)/loss on financial instruments	82,032	-
<b>Movements in assets and liabilities</b>		
Decrease/(increase) in receivables	17,342	669,189
Decrease/(increase) in inventories	14,805	21,287
Decrease/(increase) in prepayments	25,277	(1,610)
Increase/(decrease) in payables	397,659	(549,403)
Increase/(decrease) in provisions	(27,978)	(42,789)
Increase/(decrease) in revenue received in advance	(9,722)	(20,271)
<b>Net cash flows from/(used in) operating activities</b>	<b>25,167</b>	<b>750,945</b>
<b>Note 15: Cash and cash equivalents</b>	2016	2015
Current	\$	\$
Cash held for Alpine Risk Mitigation Program	-	147,408
Operational funds	444,672	333,203
<b>Total cash and cash equivalents</b>	<b>444,672</b>	<b>480,611</b>

### Note 16: Commitments

#### Revenue

Operating leases – Crown Land

For operating leases that are non-cancellable leases, the minimum lease payments are expected within the following periods:

- Not later than one year

- Later that one year but not later than five years

- Later than five years

	2016	2015
	\$	\$
Operating leases – Crown Land		Restated
- Not later than one year	32,514	31,276
- Later that one year but not later than five years	92,834	101,352
- Later than five years	189,442	202,852
	<b>314,790</b>	<b>335,480</b>

Leasing powers are defined in Section 7 of the *Alpine Resorts (Management) Act 1997*. Lease terms of up to 99 years are permissible under this section. The Board also has the power to grant leases up to 21 years as a Committee of Management under the *Crown Land (Reserves) Act 1978*. New leases are granted on the basis that the rental will be negotiated at market value. All renewal of leases and/or variations of leases will be granted on the basis that the rental will be negotiated at market value.

#### Lease receivables

##### New leases

The site holder shall pay to the Board by either of the following methods:

(a) Payment of the site value of the land as determined by valuation at the time of the execution of the lease as a single up-front payment; or

(b) An initial payment of the site holders interest (determined by valuation) and an ongoing annual market rent (determined by valuation) for the term of the lease.

##### Existing leases

Rental of a lease shall be achieved by payment of market rent (determined by valuation) for the term of the lease.

**MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

**Note 16: Commitments (cont)**

**Lease payables**

**Operating leases**

Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised in the financial report as liabilities, payable:

	2016 \$	2015 \$
- Not later than one year	-	21,398
- Later that one year but not later than five years	-	-
<b>Total</b>	<b>-</b>	<b>21,398</b>

Operating leases relating to photocopiers expired during the year

**Finance leases**

(i) Commitments in relation to finance leases are payable as follows:

	2016 \$	2015 \$
- Not later than one year	49,340	85,448
- Later that one year but not later than five years	12,335	69,898
<b>Minimum Lease payments</b>	<b>61,675</b>	<b>155,346</b>
Less: Future finance charges	(3,580)	(12,967)
<b>Total</b>	<b>58,095</b>	<b>142,379</b>

Representing finance lease liabilities:

Current	45,944	76,858
Non-current	12,151	65,521
<b>Total</b>	<b>58,095</b>	<b>142,379</b>

**Commitment to expenditure**

(ii) Contractor fees

- Not later than one year	-	250,360
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**Total commitment to expenditure (inclusive of GST)** - **250,360**

Less GST recoverable from Australian Taxation Office - 22,760

**Total commitment to expenditure (exclusive of GST)** - **227,600**

(i) Finance leases for equipment and motor vehicles

(ii) No fees were payable to services contractor as the agreement expired in April 2016

**Note 17. Capital commitments**

At balance date the Board had no capital commitments. (2015: \$nil).

**Note 18. Contingent assets and contingent liabilities**

At the reporting date, the Board are aware of the following contingent assets or contingent liabilities (2015: Nil), potential outflow imposed by the courts in connection with a legal case against the Board in respect to an industrial relations matter.

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### Note 19: Superannuation

#### Employee superannuation contributions

Superannuation contributions for the reporting period are included as part of the employee benefits in the Statement of Comprehensive Income.

The name and details of the employee defined contribution plans and contributions made by the Board are as follows:

Name of fund	Contribution rate	Paid contribution for the year	Contribution outstanding at year end		
	2016 %	2016 \$	2015 \$	2016 \$	2015 \$
AMP Super	9.5	6,220	-	758	
ANZ Bank	9.5	9,191	6,012	1,047	-
Australian Super	9.5	31,762	17,514	5,255	-
BT Super for Life	9.5	15,114	-	961	-
CARE Super	9.5	9,598	701	635	51
Cbus	9.5	9,461	-	-	-
HostPlus Super	9.5	16,955	2608	1,775	-
Jensz Family Super Fund	9.5	1,184	3201	-	-
Navigator Personal Ret Plan	9.5	-	512	-	-
NGS Super	9.5	-	560	-	-
SuperWrap	9.5	-	1519	-	-
Perpetual WealthFocus Super Plan	9.5	7,890	-	1,413	-
Rest	9.5	8,695	-	629	-
Telstra Super	9.5	6,570	5,482	679	-
VicSuper	9.5	66,051	21,090	4,430	-
Other	9.5	31,958	867	9,819	-
<b>Total</b>		<b>220,649</b>	<b>60,066</b>	<b>27,401</b>	<b>51</b>

#### Note 20: Remuneration of auditors

	2016 \$	2015 \$
External Audit fees paid to VAGO	49,500	99,481
Internal Audit fees	40,645	-
	<b>90,145</b>	<b>99,481</b>

#### Note 21. Reserves

Asset Type	Infrastructure			Total
	Land	Buildings	assets	
Opening Balance	1,896,660	4,154,284	5,785,430	11,836,374
Revaluation increment/(decrement)	(1,457,660)	2,078,149	2,245,881	2,866,370
<b>Closing Balance</b>	<b>439,000</b>	<b>6,232,433</b>	<b>8,031,311</b>	<b>14,702,744</b>

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### Note 22: Responsible persons related disclosures

#### (a) Responsible persons

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

	From	To
<b>Responsible Minister</b>		
The Hon. Lisa Neville MP, Minister for Environment, Climate Change and Water	1-Nov-15	22-May-16
The Hon. Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change	23-May-16	31-Dec-16
<b>Board Members</b>		
Ms V Papachristos (Chairperson)	1-Nov-15	31-Dec-15
Mr R Cohen (Deputy Chair)	1-Nov-15	31-Dec-15
Mr B Dunlop	1-Nov-15	31-Dec-15
Ms G La Vella	1-Nov-15	31-Dec-15
Mr D Bates	1-Nov-15	31-Dec-15
Mr A Bawden (Chairperson)	1-Jan-16	31-Dec-16
Mr A Thompson	1-Jan-16	31-Dec-16
Mr R Cohen	1-Jan-16	31-Dec-16
Ms J Walker	9-Mar-16	31-Dec-16
Mrs S Petkova	1-Jan-16	31-Dec-16
Ms K Clarke	1-Jan-16	31-Dec-16
Ms K Irwin (Deputy Chair)	1-Jan-16	31-Dec-16
<b>Accountable Officers</b>		
Mr C Jenz	1-Nov-15	31-Mar-16
Mr P Nunn (Chief Executive Officer)	1-Apr-16	31-Dec-16

#### (b) Remuneration

Remuneration received or receivable by the Accountable Officers in connection with the management of the Resort during the reporting period was in the range: \$130,000 - \$139,999 (2015: \$30,000-\$39,999).

The number of responsible persons whose remuneration from the Board was within the specified bands is as follows:

	2016 (14 Month Period)	2015 (12 Month period)
\$0 to \$9,999	6	4
\$10,000 to \$19,999	6	1
\$20,000 to \$29,999	1	-
\$30,000 to \$39,999	-	1
\$110,000 to \$119,999	1	-
<b>Total</b>	<b>14</b>	<b>6</b>
The remuneration received or due and receivable by the responsible persons in connection with the management of the resort during the reporting period was:	<b>\$ 223,597</b>	<b>\$ 81,163</b>

The relevant amounts relating to the Minister are reported separately in the Department of Premier and Cabinet's Financial Statements.

The Accountable Officer was employed by both Mount Baw Baw and Lake Mountain Alpine Resort Management Boards, as such his wage is split between the two Boards.

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### Note 22: Responsible persons related disclosures (cont)

#### (c) Executive remuneration

Income band	Total remuneration		Base remuneration	
	2016 (14 Month Period) No.	2015 (12 Month period) No.	2016 (14 Month Period) No.	2015 (12 Month period) No.
\$30,000 to \$39,999	1	-	1	-
\$90,000 to \$99,999	1	-	1	-
\$120,000 to \$129,000	-	1	-	1
<b>Total</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>
Annualised employee equivalent	<b>1.19</b>	<b>1</b>	<b>1.19</b>	<b>1</b>
<b>Total remuneration</b>	<b>132,646</b>	<b>123,179</b>	<b>128,019</b>	<b>123,179</b>

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

The General Manager of Corporate Services was employed in June 2016 by both Mount Baw Baw and Lake Mountain Alpine Resort Management Boards, as such his wage is split between the two Boards.

#### (d) Other transactions

The number of contractors charged with significant management responsibilities is disclosed within the \$10,000 expense band. These contractors are responsible for planning, directing, controlling, and/or reporting upon, whether directly or indirectly, a significant proportion of the Board's activities

	Total expenses (GST-exclusive)	
	2016	2015
\$60,000 to \$69,999	1	-
\$240,000 to \$249,999	-	1
\$735,000 to \$739,999	1	-
\$2,670,000 to \$2,679,999	-	1
<b>Total</b>	<b>2</b>	<b>2</b>
<b>Total amount</b>	<b>804,907</b>	<b>2,915,863</b>

Belgravia Health & Leisure Group Pty Ltd had been contracted to manage the operation of the Resort and thus have significant management responsibilities pursuant to the agreement that is in place, the agreement was terminated in April 2016. During the year the Board paid \$735,240 (2015: \$2,915,863) for such services. LXD Business Solutions has been engaged by the Board to provide financial management services, during the year the Board paid \$69,667 (2015: nil)

#### (e) Related party transactions

Mr A Bawden is a council member of the Alpine Resorts Coordinating Council, a statutory body established under the Victorian Alpine Resorts (Management) Act 1997 to which the Board makes financial contributions for services provided by the Council. Total contributions paid during the reporting period (exclusive of GST) was \$50,660 (2015: \$38,434). Lion Capital is a consulting company the Board engaged to provide support and monitoring services in relation to the outsourcing arrangement of the resort to a commercial operator. Mr Craig Jensz, the Accountable Officer, is the managing director of this company. Total payments made to Lion Capital during the reporting period for this service (exclusive of GST) was \$168,696 (2015: \$243,748). Ms V Papachristos was a member of the Alpine Resorts Coordinating Council from 1 November 2015 to 31 December 2016. From 1 January 2016, the seven members of the Board were also members of the Lake Mountain Alpine Resort Management Board. Charges between the two boards arising from a memorandum of understanding between the two entities amounted to \$225,680, these amounts were reimbursed by Mount Baw Baw Alpine Resort Management Board to Lake Mountain Alpine Resort Management Board.

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### Note 23: Financial Instruments

The Board's principal financial instruments comprise;

- Cash and cash equivalents;
- Receivables (excluding statutory receivables);
- Payables (excluding statutory payables); and
- Borrowings.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudently manage the Board's financial operations.

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

	Note	Category	2016 \$	2015 \$
<b>Contractual financial assets</b>				
Cash and deposits	15	Loans and receivables	444,672	480,611
<b>Receivables:</b>	4			
Debtors		Loans and receivables	119,120	221,286
Accrued Revenue		Loans and receivables	106,496	-
Sundry Debtors		Loans and receivables	6,800	30,158
<b>Total contractual financial assets</b>			<b>677,088</b>	<b>732,055</b>
<b>Contractual financial liabilities</b>				
<b>Payables:</b>	9			
Creditors		Financial liabilities at amortised cost	18,670	457,830
<b>Other payables</b>		Financial liabilities at amortised cost	377,892	61,091
<b>Borrowings:</b>	10			
Finance lease liabilities		Financial liabilities at amortised cost	58,095	142,379
<b>Total contractual financial liabilities</b>			<b>454,657</b>	<b>661,300</b>

### (a) Credit Risk

Credit risk arises from the contractual financial assets of the Board, which comprise cash and cash equivalents and receivables. The Board's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to the Board. Credit risk is measured at fair value and is monitored on a regular basis.

As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of contractual financial assets that are past due but not impaired:

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1- 5 years
<b>2016</b>	\$	\$	\$	\$	\$	\$
<b>Receivables:</b>						
Debtors	119,120	7,496	-	-	60,793	50,831
Sundry Debtors	6,800	6,800	-	-	-	-
<b>Total</b>	<b>125,920</b>	<b>14,296</b>	<b>-</b>	<b>-</b>	<b>60,793</b>	<b>50,831</b>
<b>2015</b>						
<b>Receivables:</b>						
Debtors	221,286	96,472	36,086	23,633	18,334	46,761
Sundry debtors	30,158	30,158	-	-	-	-
<b>Total</b>	<b>251,444</b>	<b>126,630</b>	<b>36,086</b>	<b>23,633</b>	<b>18,334</b>	<b>46,761</b>

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### Note 23: Financial Instruments (cont)

#### (b) Liquidity Risk

Liquidity risk arises when the Board is unable to meet its financial obligations as they fall due. The Board operates under the Government fair policy of settling financial obligations within 30 days and in the event of a dispute, will make payment within 30 days from the date of resolution. The Board's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Board manages its liquidity risk by close monitoring of its financial liabilities based on forecasts of future cash flows.

As indicated in Note 25, the Board is dependent on the Victorian State government to ensure it can meet its obligations as and when they fall due. In this respect, the Board works closely with Department of Environment, Land, Water and Planning (DELWP) to ensure support payments are received in a timely manner for it to meet its financial obligations.

The following table discloses the contractual maturity analysis for the Board's contractual financial liabilities.

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1- 5 years
<b>2016</b>	\$	\$	\$	\$	\$	\$
<b>Payables:</b>						
Creditors and other payables	18,670	18,670	18,670	-	-	-
<b>Borrowings:</b>						
Finance lease liabilities	58,095	61,675	4,111	8,222	37,007	12,335
<b>Total</b>	<b>76,765</b>	<b>80,345</b>	<b>22,781</b>	<b>8,222</b>	<b>37,007</b>	<b>12,335</b>
<b>2015</b>						
<b>Payables:</b>						
Creditors and other payables	457,830	457,830	451,218	4,704	1,908	-
<b>Borrowings:</b>						
Finance lease liabilities	142,379	155,346	9,929	30,202	36,727	65,521
<b>Total</b>	<b>600,209</b>	<b>613,176</b>	<b>461,147</b>	<b>34,906</b>	<b>38,635</b>	<b>65,521</b>

#### (c) Market risk

The Board's exposure to market risk are primarily through interest rate risk with almost no exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

##### Interest rate risk

Exposure to interest rate risk is insignificant and might arise primarily through the Board's cash and deposits and finance lease liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. Financial liabilities comprise of finance leases at fixed interest rates. The table below reflects the Board's interest rate exposure on financial instruments.

	Weighted average effective interest rate	Carrying amount	Interest rate exposure		
			Fixed interest	Variable interest rate	Non-interest bearing
<b>2016</b>		\$	\$	\$	\$
<b>Contractual financial assets</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1.66%	444,672	-	389,259	55,413
Debtors		125,920	-	-	125,920
<b>Total financial assets</b>		<b>570,592</b>	<b>-</b>	<b>389,259</b>	<b>181,333</b>
<b>Financial liabilities</b>					
Creditors and other payables		18,670	-	-	18,670
<b>Borrowings</b>					
Finance lease liabilities	9.80%	58,095	58,095	-	-
<b>Total financial liabilities</b>		<b>76,765</b>	<b>58,095</b>	<b>-</b>	<b>18,670</b>

MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

**Note 23: Financial Instruments (cont)**

	Weighted average effective interest rate	Carrying amount	Interest rate exposure		
			Fixed interest	Variable interest rate	Non-interest bearing
<b>2015</b>					
<b>Contractual financial assets</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1.20%	480,611	-	412,647	67,964
Debtors		251,444	-	-	251,444
<b>Total financial assets</b>		<b>732,055</b>	<b>-</b>	<b>412,647</b>	<b>319,408</b>
<b>Financial liabilities</b>					
Creditors and other payables		457,830	-	-	457,830
<b>Borrowings</b>					
Finance lease liabilities	9.80%	142,379	142,379	-	-
<b>Total financial liabilities</b>		<b>600,209</b>	<b>142,379</b>	<b>-</b>	<b>457,830</b>

*Sensitivity disclosure analysis and assumption*

The Board's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The Board cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. A movement of 50 basis points up and down (2015: 100 basis points up and down) in market interest rates (AUD) is 'reasonably possible' over the next 12 months. The following table shows the impact on the Board's net result and equity for each category of financial instrument held by the Board at the end of the reporting period as presented to key management personnel, if the above movement were to occur.

	Interest Rate Risk				
	Carrying Amount	-50 basis points		+50 basis points	
		Net Result	Equity	Net Result	Equity
<b>2016</b>	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	389,259	(1,946)	(1,946)	1,946	1,946
<b>Financial Liabilities</b>					
Interest bearing liabilities	58,095	290	290	(290)	(290)
<b>Total</b>	<b>447,354</b>	<b>(1,656)</b>	<b>(1,656)</b>	<b>1,656</b>	<b>1,656</b>
<b>2015</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	412,647	(4,126)	(4,126)	4,126	4,126
<b>Financial Liabilities</b>					
Interest bearing liabilities	142,379	1,424	1,424	(1,424)	(1,424)
<b>Total</b>	<b>555,026</b>	<b>(2,703)</b>	<b>(2,703)</b>	<b>2,703</b>	<b>2,703</b>

**(d) Fair value**

The carrying amounts of financial assets and financial liabilities recognised at the balance date, consisting of cash, receivable, payables, finance lease liabilities and borrowings, represent fair value because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

## MOUNT BAW BAW ALPINE RESORT MANAGEMENT BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### **Note 24. Ex-gratia expenses**

There was no ex-gratia payments made during the 2016 period (2015: \$nil).

### **Note 25: Economic dependency**

The Board is dependent on the continued financial support of the State Government and in particular, the DELWP which has confirmed that it will continue to provide the Board adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 30 April 2017. Accordingly these financial statements have been prepared on a going concern basis.

### **Note 26: and Events after reporting date**

On 1 January 2017, pursuant to Alpine Resorts (Management) Act 1997 s 34 (2), the Premier of Victoria declared that all functions of Mount Baw Baw Resort Management Board together with all the employees necessary to carry out and support those functions are transferred to Southern Alpine Resort Management Board. As part of this legislation all property, rights and liabilities are to be transferred to Southern Alpine Resort Management Board to facilitate it performing its new functions. There will be no Government funding provided to Mount Baw Baw Alpine Resort Management Board in 2017, however the entity expects to be able to meet its expected obligations as and when they fall due.

# APPENDIX 1 COMPLIANCE INDEX – REPORT OF OPERATIONS

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## APPENDIX 1

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<i>Building Act 1993</i>	
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Print and design	
FRD 30B	Standard requirements for the design and print of annual reports

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