## MOUNT HOTHAM

Alpine Resort Management Board



2011 ANNUAL REPORT

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### Mount Hotham Alpine Resort To share an amazing alpine experience



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### Welcome

### Mount Hotham Alpine Resort Management Board Annual Report 2017

In accordance with the *Financial Management Act 1994*, we are pleased to present the Mount Hotham Alpine Resort Management Board's Annual Report for the year ending 31st December 2017.

Nicole Feeney Chairperson

Mount Hotham Alpine Resort Management Board

Con Hudehin

Jon Hutchins

**Chief Executive Officer** 

Mount Hotham Alpine Resort

Management Board

### Chair's Report



Welcome to the Mount Hotham Alpine Resort Management Board Annual Report for 2017. This is our first 12 month reporting period based on a calendar year.

This year the Board has continued its focus upon working closely with the Hotham community in the implementation of our strategies to grow the Resort's visitation in both the winter and green seasons. Our Board manages the Resort on behalf of the State of Victoria, for all Victorians. Our land management responsibilities form the basis of all of our decision making. We want to protect our Resort so that future generations of visitors can have an amazing experience.

During 2017, beyond being a bumper year for snow, with some of the highest recorded falls this millennium, the Board has been working with our diligent team to deliver additional development to the Resort and improve facilities and services, with the aim of delivering an amazing guest experience with a year-round focus. I thank our management and our staff, and all the businesses and accommodation providers at Mount Hotham for their contribution to our guest experience.

Stephen Clement resigned as a Board member in early 2017 in order to pursue a professional opportunity in Dubai. We have missed his skills and experience particularly as the convener of our Consultative Forum and his project management skills and we wish him well in his new role.

I acknowledge the passion, time and expertise given to the Board by my other Board members. Maxine Morand has provided significant support to me as Deputy Chair, she has chaired our Remuneration and People Sub Committee and co-convened our Consultative Forum. Julia Hunter and Andrew Skewes are two of our hardest working Board members being members of both our Audit and Risk Sub Committee and our Marketing and Development Sub Committee. With her professional marketing experience Julia has spent significant time contributing feedback and comments in respect of our 2017 (award winning!) branding campaign. Andrew also co-convened our Consultative Forum in his excellent collaborative manner. Jo Shannon has brought to our Board her years of alpine resort and local government experience and has expertly chaired our Audit and Risk Sub Committee and provided great support and guidance to our finance team. David Anstee has brought

practical leadership and innovation as Chair of our Marketing and Development Sub Committee as well as being a member of our Remuneration Committee.

A new Board is expected to be appointed shortly. I thank the current Board members for their service. I congratulate those people who are appointed to the new Board and wish them a fantastic and rewarding experience.

I have been very fortunate to have served with enthusiastic and outstanding professional Board members, on the current Board and on each of the Boards I have had the pleasure of being a part of over the last 11 years. Each of those Board members has willingly given their time, expertise and support to Mount Hotham - over and above the time involved in attending board meetings and sub committee meetings. They have always been available to assist and support our management team and have spent significant time in the Resort listening to your suggestions and considering what we can do to create an amazing experience for all of our visitors.

#### **Growing Mount Hotham**

One major project which continues to progress is the Growing Mount Hotham Project, which consists of a package of works to boost green season activities and improve the amenity of the Mount Hotham Village area. This includes a proposed development of a flat, enclosed 2-deck car park at the Loch Car Park; the proposed development of the Corral and Resort Management Building area; and public realm works at Hotham Village, including improved road-crossings and altered car-parking arrangements. The Loch Car Park proposal is now "shovel ready", with the road widening works on schedule to create a safer turn-in and turn-out on Loch Corner in time for the 2018 snow season.

#### **Property Activities**

The progression of the proposed development in the Corral Car Park has encouraged the Board that there is a strong future for high-quality mixed-use development at Mount Hotham. The land development process is a long one, and the proposal is currently under internal consideration. The Board has felt enthused by local property movements over the 2016-17 period, including major acquisitions by a large hotel operator at Dinner Plain, the sale of all the undeveloped freehold lots (near Chalet Hotham), and the sale of the majority of undeveloped Hotham Heights lots.

#### **Snow Sports Community**

We have also been excited to see the growth of Mount Hotham's cross-country and biathlon skiing communities, marked by the addition of two firing lanes and improvement of trail facilities at Wire Plain. This could not have been achieved without the hard work of the Australian Biathlon Association, and I commend them for their efforts. It has also been exciting to see a number of Disabled Wintersport Australia competitors who train at Mount Hotham travelling overseas for competition. We are thrilled to be able to host these bodies, and look forward to opportunities to further develop facilities consistent with the Master Plan.

#### **Consultative Forum**

The Consultative Forum, consists of representatives of our Mount Hotham community, achieved positive outcomes and exchange of information and views

during the year. There were 4 meetings held in 2017 and the some of the topics discussed were advancing Hotham, food offerings by commercial operators, Hotham 365 and the Growing Mount Hotham Project.

#### Winter 2017

The brand new summit snow guns, installed by the Mount Hotham Skiing Company in summer 2016/2017, was a feature of the opening week end and with the combination of cold temperatures and a small amount of natural snow, provided very good skiing on the summit area on opening weekend.

There were 3 major snow fall events during the 2017 snow season. The first weather event required management with a road closure and subsequent avalanche within the resort. The next two significant snow falls highlighted the great co-operation between local emergency service providers and the ability and potential of the resort to utilise the access from East Gippsland via Omeo. We thank our community for your patience and understanding about the action required to create safe access for our visitors.

#### **True Spirit of Alpine Australia Campaign**

This year saw the launch of the True Spirit of Alpine Australia brand, which was developed in conjunction with our commercial operators and accommodation providers and our branding agency, 10 Feet Tall. The aim of the campaign was to distinguish Mt Hotham as Australia's highest alpine village with the most down to earth people. It celebrates the uniqueness of the Australian skiing experience and heroes the characterful locals of our mountain. The campaign exceeded expectations, receiving over 31 million digital impressions. The campaign also received industry acknowledgement, with Mt Hotham awarded Gold at the 2017 RACV Victorian Tourism Awards for Destination Marketing.

#### **Our Community**

The Board would like to recognise the contribution and passion of all our Mount Hotham community and our neighbours including the Chamber of Commerce, Mount Hotham Skiing Company, the Hotham Ski Association, business owners, property owners, accommodation providers, the various snow sports organisations including Disabled Wintersports Australia, the Alpine Shire, Dinner Plain, our traditional owners and our guests. We thank you for making our Resort a unique and amazing place for our current and future generations to experience again and again.

Nicole Feeney Chairperson

Mount Hotham Alpine Resort Management Board

### CEO's Report



Our belief statement at Mt Hotham is to share an amazing alpine experience and the 2017 winter was an amazing experience for guests and staff with three major weather events providing nearly 5 metres of snow. After an early start to the season thanks to the new summit snow making system and the opportunity to extend the season for the October Victorian School Holidays we managed 124 days to share the season and magnificent conditions with 368,313 visitor days (2016 - 328,602).

It wasn't only the conditions that contributed to the success of the season but also the efforts of our staff and stakeholders who worked to ensure that guests were able to arrive, participate in the snow activities and leave the resort in a safe manner. Our emergency services of Victoria Police, Ambulance Victoria, Mt Hotham/Dinner Plain CFA (who celebrated their 20th anniversary), SES, medical services and Vic Roads all worked together with mountain staff to ensure the roads, resort and snow fields remained safe. Our appreciation to all of the above for their professional and genuine concern for the welfare of all.

Despite the conditions the accident rate per thousand skier days was 1.42 (2016-1.55) which is well below the international standard of 2.4 per thousand skier days. Our ski patrol and lift company staff should be applauded for their efforts to provide comfort to guests so that they can enjoy the great snow conditions and be aware of any hazards. While there were increased call outs we had few significant trauma events.

It is no coincidence that the co-operation that provides these experiences was captured in the "True Spirit of Alpine Australia" marketing campaign which highlighted that Mt Hotham is Australia's highest mountain resort with the most down to earth people. With the support of many mountain staff and operators the campaign generated 31 million impressions and over 89,000 clicks with the testimonials from mountain identities a highlight of the campaign. It was also gratifying to receive acknowledgement from the industry with the Gold Medal for Destination Marketing at the Victorian Tourism Awards and the Australasian Leisure Industry Communication and Marketing Awards.

The co-operation was also evident in our consultative forums which provided valuable input into the campaign and other aspects of the resort management. The formation of a commercial marketing forum during the winter also provided feedback and co-ordination of new events during September which provided the impetus for the extension of the season.

Our marketing efforts were also focussed on providing a broader range of experiences, and the introduction of the Alpine Nature Experience at Wire Plain complemented the Sled dog and Snow play operations for a broader range of snow activities. This was also evident with the snow making and toboggan slope in the Davenport village which provided a snow play experience in the early part of the season prior to major snow falls. Our Hotham 365 activities also progressed with our own instructors providing an entry to snow field skiing and boarding activities in a controlled environment and at a competitive price point.

Some of the most amazing aspects of the resort are the natural assets which after the strong spring rains saw magnificent blooms of native flora and strong numbers in our threatened species particularly the Alpine Tree Frog and Mountain Pygmy Possum. We look forward to the second Tunnel of Love at Little Higgi being constructed in the near future. We have also seen dingos reappear on the landscape.

To preserve these wonderful natural aspects of the resort we have worked towards minimising our foot print and most successfully in our organic waste collection which rose to over 50 tonnes collected for reprocessing as compost. (2016 - 37 tonnes)

Our Alpine Nursery continues to serve other alpine resorts with high quality plants and a professional managed resource for revegetation of disturbed areas within the sensitive alpine environment.

The "down to earth" approach from our marketing campaign was also evident in the fundraising events during the year. The Tour de Cure in March provided a spectacular focus on the resort across national TV audiences on the Sunrise program, raised funds for cancer research and provided some inspiring stories from the event participants. This complemented the efforts of our fundraising for Cancer for Kids and the Annual MND event with Dinner Plain and Omeo.

Having received approval from Minister D'Ambrosio for our Mt Hotham Master Plan in December 2016 we have continued our efforts to develop the various projects from the Master Plan. The Growing Mt Hotham Project encapsulates the developments at Hotham Central and the Loch Car Park. While we are awaiting government funding for the Loch Car Park, the Corral development is progressing with the preferred applicant from our Expression of Interest for the site. The Falls to Hotham Alpine Crossing is an integral part of our future green season offer and our inclusion in the project group with Falls Creek is

greatly appreciated. Other agencies involved include Parks Victoria, Tourism North East and Visit Victoria.

On-going staff changes within the Resort Management Board during 2017 saw the departure of Andrew Swift, Emily O'Neil, Melinda Martin and Larissa Kuzeff. We thank them for their contribution and look forward to welcoming them as guests to the resort in the future. We would also like to acknowledge the leadership of Board member Stephen Clement who left the Board in January 2017. Stephen played a pivotal role in the development of the Mt Hotham Master Plan and the Consultative Forum during his time on the Board and provided wise counsel to the Board staff on many and varied matters. We wish him well in his new endeayours.

We welcomed during the year Liz Alley, Nicole Hayes and Stephanie Houlahan to our staffing complement during 2017 and look forward to their continuing the contribution of staff to the efforts of sharing an amazing alpine experience to our guests.

It is a pleasure to work with our committed staff and management team whom I strive to match their enthusiasm and passion with the resources to attain the best results for Mt Hotham.

As our current Board members tenure will end at the end of March 2018 I would like to acknowledge their efforts in ensuring all of the management, staff and stakeholders' interests are accommodated for the future of Mt Hotham. This often involves conflicting directions and their systematic assessment of matters has provided strong governance for the resort. In particular, I would like to acknowledge our Chair Nicole Feeney who will retire in March and recognise her vast contribution to Mt Hotham over the past 11 years. Nicole has lived for the best interests of the resort during her time on the Board and her professionalism, skill and knowledge will be sorely missed.

Jon Hutchins
Chief Executive Officer
Mount Hotham Alpine Resort

Con Hudehin

Management Board

### Introduction Board Members

#### Nicole Feeney Chairperson



#### Board Members from 1st January 2017 - 31st December 2017

| Nicole Feeney (Chairperson) | Maxine Morand (Deputy Chair) |  |  |
|-----------------------------|------------------------------|--|--|
| David Anstee                | Julia Hunter                 |  |  |
| Andrew Skewes               | Jo Shannon                   |  |  |

Nicole is the current Chair of the Board. She has been a member of the Board since April 2007, and was previously its Chair from 2010 to 2013. She is also a member of the Alpine Resorts Co-ordinating Council (ARCC) and was previously a member of the ARCC between 2010 and 2013.

Nicole is a commercial disputes and construction lawyer at Lander & Rogers; a past Chair of the Litigation Lawyers section of the Law Institute of Victoria (LIV); and represents the LIV on the Supreme Court Rules Committee and the County Court Building Cases Users Group.

Her Board experience stems from having been a director of UFS Dispensaries Ltd for six years, a not-for-profit company which owns and operates a number of pharmacies and associated businesses in and around Ballarat in Western Victoria.

Nicole is a graduate member of the Australian Institute of Company of Directors. In 2001, Nicole was introduced to skiing and Mount Hotham. She loved the experience so much she became a member of the Anton Huette lodge in 2005, and later purchased an apartment at Mount Hotham.



Maxine Morand Deputy Chair

Maxine was appointed to the Board on I January 2016. Maxine brings extensive experience in government administration, senior management, governance, stakeholder engagement and public health. She is a former nurse, cancer researcher, Member of the Victorian Parliament and Cabinet Minister, and was Chief Executive of Breast Cancer Network Australia. Maxine is currently Chair of Peter MacCallum Cancer Centre, and a Professorial fellow in the school of Public Health and Preventative Medicine at Monash University, and is a graduate of the Australian Institute of Company Directors. She has been a keen skier and visitor to Mt Hotham with her family for over 30 years.



David Anstee Board Member

David was appointed to the Board on 7 July 2014. He currently serves as the Commercial Director of GreenSync and as a lecturer in post-graduate entrepreneurial studies with Adelaide University. David also holds an MBA from London Business School and a Bachelor of Commerce from Melbourne.

He has a diverse career which includes investment banking, assistant cameraman for National Geographic in the Arctic, and innovation manager and entrepreneur. David has been skiing Mount Hotham for over 30 years. When not skiing, he enjoys rock climbing, diving, farming and flying.



Stephen Clement Board Member

Stephen was appointed on 28 October 2014. Due to international work commitments, Stephen resigned from the Board, effective 15th January 2017. Stephen's Board position was not replaced.

The Alpine Resorts (Management) Act 1997 came into force on 30 April 1998, when the responsibility for the day-to-day management of the Mount Hotham Alpine Resort was transferred to the Mount Hotham Alpine Resort Management Board. Our Board representatives come from a diverse range of backgrounds and industry experience.



Julia Hunter Board Member

Julia was appointed to the Board on 1 January 2016. Julia has broad experience across sustainability, environmental management, marketing, stakeholder engagement and risk management, and has degrees in both marketing and management. She has held a range of management roles across tourism, banking and retail including the Global Head of Environmental Sustainability for ANZ Banking Group, General Manager Marketing for Aussie Farmers Direct and Director of Corporate Responsibility for InterContinental Hotels Group.

Julia is also a Board member for Bright Sparks Australia (an environmentally focused social enterprise) and Aussie Farmers Foundation. She is an outdoor enthusiast and spends her weekends cycling, skiing, hiking and running, and is looking forward to spending more time mastering the black runs at Mount Hotham.



Andrew Skewes Board Member

Andrew was appointed to the Board in January 2016. He has a wide range of professional work experience, including over 12 years as a government senior executive at the Commonwealth and State levels, a consultant in his own practice as a lecturer and senior executive in Higher Education.

Andrew is a member of the Australian Institute of Company of Directors, and has been a director of companies in the water and information technology sectors. He has completed a Bachelor of Science, a Graduate Diploma in Education and Master of Commerce (Economics Hons), all from the University of Melbourne. He is a member of Anton Huette Ski Lodge at Mount Hotham.



Jo Shannon Board Member

Jo was appointed to the Board on 1 January 2016. She has been the Director of Community and Corporate Services at Towong Shire Council since 2013, and has over 15 years' experience in public sector financial and executive management. Prior to local government, her management experience has been gained in the alpine sector and in the private sector in Melbourne media and technology companies.

Jo is also a Director of Kiewa Mitta Murray Community Enterprises Ltd, a Bendigo Community Bank franchise company, and is a member of CPA Australia.

She has been visiting Mount Hotham and the Victorian Alps for over 20 years as a keen skier and bushwalker. She has a passion for the Australian alpine environment and likes to share it with her family and friends.

### Introduction Board Committees

The inaugural Board officially took over control of the Resort on 30 April 1998

#### Audit and Risk Sub Committee

The Audit and Risk Sub Committee has responsibility of internal & external audit, finances, risk management and monitoring the compliance with the Financial Management Compliance Framework. The Board members represented on this committee between 1 January to 31 December 2017 are: Jo Shannon (Chairperson), Andrew Skewes and Julia Hunter. All Audit & Risk Sub Committee members are deemed independent under the Financial Management Act 1994.

#### Remuneration and People Sub Committee

The Remuneration Sub Committee Board representatives were Maxine Morand (Chairperson), Nicole Feeney, and David Anstee from 1 January to 31 December 2017.

#### Marketing and Development Sub Committee

The Marketing and Development Sub Committee Board representatives were David Anstee (Chairperson), Nicole Feeney and Julia Hunter from 1 January to 31 December 2017. Stephen Clement was a member prior to his resignation from the Board, from 1 January to 15 January 2017.

#### Consultative Forum

Mount Hotham Consultative
Forum was established in July
2014. The Chair of the Forum
was shared between Maxine
Morand and Andrew Skewes
from 1 January to 31 December
2017, with representatives from
Tourism North East (TNE), Mt
Hotham Chamber of Commerce,
Hotham Ski Association (HSA),
Mt Hotham Skiing Company, and
Alpine Shire.

### Establishment of Boards

The Mount Hotham Alpine Resort Management Board was established by Section 34 of the Alpine Resorts (Management) Act 1997. The inaugural Board officially took over control of the Resort on 30 April 1998. Prior to this, all alpine resorts were managed collectively under the jurisdiction of the Alpine Resorts Commission. The current management structure comprises an independent six-member skill-based Board who were appointed by the Minister for Environment. Climate Change, and Water. The responsible minister, from 1 January to 31 December 2017, is Hon Liliana D'Ambrosio, Minister for Energy, Environment and Climate Change.

#### Functions of the Board and Corporate Governance

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 each such 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 each such alpine resort in accordance with the object of the Act;
- To manage each such 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 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);
- To manage the Crown Land in Mount Hotham by acting as a Committee of Management under the Crown Land (Reserves) Act 1978;
- To contribute, together with Tourism Victoria, established under the Tourism Victoria Act 1992, and the Council, to the overall promotion of alpine resorts;

- To develop a tourism and marketing strategy and to promote the Resort;
- To provide services in the nature of: garbage disposal, water supply, gas, drainage, sewerage, electricity, roads, fire protection, snowmaking, transport for the resort and to chargeuserpayscontributions for the provision of those services:
- To collect fees prescribed by the regulations for the Resort:
- To attract investment for the improvement of the Resort; and
- To carry out any other function conferred on the Board by this or any other Act.

#### Resort Governance Review

\_\_\_\_\_

In line with the decision of the Victorian Government in November 2017, the structure of the Board of the Mount Hotham resort will be revised in 2018 to comprise:

- 4 Common Board members appointed to the three northern alpine resort management boards; and
- 3 Unique Board members appointed to the Mount Hotham Alpine Resort Board only.

#### Board Member Resignation

Due to international work commitments, Stephen Clement submitted his resignation from the Board, effective 15 January 2017.

|                     | Board | Audit and Risk | Remuneration | M & D | Consultative Forum |
|---------------------|-------|----------------|--------------|-------|--------------------|
| Total Meetings Held | 11    | 6              | 5            | 6     | 4                  |
| Nicole Feeney       | 11    | -              | 5            | 2     | -                  |
| Maxine Morand       | 10    | -              | 5            | -     | 2                  |
| David Anstee        | 11    | -              | 5            | 6     | -                  |
| Julia Hunter        | 11    | 6              | -            | 6     | 1                  |
| Andrew Skewes       | 11    | 6              | -            | -     | 4                  |
| Jo Shannon          | 10    | 6              | -            | 1     | -                  |
| Stephen Clement     |       |                |              |       |                    |

Attended as an observer

### About the Resort Our History

Mount Hotham Alpine Resort is set in a unique and extreme natural landscape, an environment that has been largely shaped by its European history, and a history that is unique to the region.

The history of Mount Hotham has been affected by influences from both sides of the range. Mount Hotham (1861m) is amongst the four highest points in Victoria, (Mount Bogong, Mount Feathertop, Mount Loch and Mount Hotham), atop the solid barrier that forms the spine of the Great Dividing Range. Both the Ovens Valley on the north, and Gippsland to the south, have played important influential roles in the history of the Mount Hotham region.

An Aboriginal presence existed in the Mount Hotham region for many thousands of years before the arrival of the first Europeans. The principal language groups in the Mount Hotham region included the Gunailkurnai, Dhudhuroa and the Jaitmathang.

In 2012, a Land Use Agreement was signed with the Gunaikurnai under the Traditional Owners Settlement Act (VIC) and Federal Native Title Act.

In 1851, the most influential event in the history of the region — and the nation — occurred with the official discovery of gold. In that first year, gold was discovered at Omeo, where a few small diggings were opened. The gold discoveries on each side of the Divide saw a significant movement of traffic over the ranges between the new fields. Diggers travelling over the ranges within the Mount Hotham district

were said to have discovered small quantities of gold, however these deposits were left in preference for the richer pickings and better climate offered by the lower valleys.

The early 1860s saw significant gold discoveries being made on the Upper Dargo and Cobungra rivers. These new fields saw the establishment of more permanent populations in the shadow of Mount Hotham. Principal mining camps and commercial centres on the Upper Dargo included Brocket (1866) and Louisville (1866). In 1883, near Brandy Creek and the Cobungra Diggings, the establishment of the Cobungra Township saw a population of some 400 to 500 people in the immediate hills, on what is now today's resort. Significant investments by lease holding companies on the Cobungra Diggings had far reaching influences. Keen to attract business from the new gold mining boom, both Bright and Omeo shires upgraded the Great Alpine Road, between Harrietville and Omeo, from a four-foot wide pack track to an eight-foot wide coach road in 1883. The repercussions of this road upgrading have influenced the region and resort development to present times.

The Department of Crown
Lands and Survey assumed
responsibility for Mount Hotham
in 1962, appointing a Committee
of Management to co-ordinate
Crown allotments, subdivisions
and provide basic services such
as drinking water. During its
21-year tenure, the Committee
encouraged resort development,
such as lodge construction, the
Zoo Cart transport system, the

addition of tow ropes, and the installation of the first chairlift — the Playground Chair.

In 1983, the Alpine Resorts (Management) Act 1997 saw the formation of the Alpine Resorts Commission (ARC) to manage all Victorian Alpine Resorts which are permanently reserved as Crown Land. The ARC contributed to the development through the provision of adequate sewerage reticulation and treatment, reticulated electricity and gas, and later, the connection of the resort to the state grid.

Other development in subsequent years saw increased parking areas, the construction of the Hull Skiers Bridge, and the sealing of the Great Alpine Road between Omeo and Harrietville in 1998.

In 1995, BCR Management purchased Ski Tows Ltd and further developed the Resort, including new ski terrain and the Orchard, Keogh's and Gotcha chairs, as well as a 53 chalet development of Hotham Heights.

The ARC developed a much stronger commitment to the environment during the mid-1990s, adopting the Resort's first Environmental Management Plan in 1997. In the same year, the Alpine Resorts Planning Scheme was also introduced. In 1998, separate management Boards were created for the individual resorts and the Mount Hotham Alpine Resort Management Board (The Board) assumed management of Mount Hotham. The Mount Hotham airport was opened in 1999.

In 2002, amendments were made to the Alpine Resorts Planning Scheme, including revised provisions for car parking and the introduction of an Environmental Significance Overlay for the Mountain Pygmy-possum (Burramys parvus), and a Heritage Overlay. In 2004, the 2020 Strategy was released to guide long-term planning and management of Victoria's Alpine Resorts.

In 2004, the lift company was acquired by MFS limited. In 2009, the \$8.4 million wastewater recycling for snowmaking project was completed. The Merlin Entertainment Group acquired the lift company in 2011.

Since the first travellers over the ranges strapped timber planks onto their boots at the Mount St Bernard Hospice during the 1880s, the Mount Hotham area has been a skiing destination for tourists for over 130 years. The area today still has a strong association with early heritage in providing a unique recreational destination for visitors all year round.

In 2012, the Alpine Resorts
Strategic Management Plan
was adopted and now forms the
foundation for the Mount Hotham
Strategic Management Plan
2013-2018, which is due for review
in 2018.

In 2014, the Board held community consultation that assisted in the development of the resort's Master Plan. The Master Plan serves as the basis for the future development of the Resort.



### About the Resort

### **Our Vision**

### 'To Share An Amazing Alpine Experience'

#### The Crown

By maintaining and managing the public assets of the Resort, attracting investment for the development and improvement of the Resort, administering the Crown leases and licenses within the Resort, and ensuring legislative obligations are met;

#### **Our Environment**

By managing the rare and valuable biodiversity, ecological and catchment values of the Resort, taking into account climate change;

#### **Our Customers**

By providing quality delivery to our recreational visitors of: transport, ski patrol, resort entry sales, visitor information, traffic and parking management, snow clearing, cross country trails and urban amenities;

#### Our Property

By providing contemporary urban services of water supply, sewerage, drainage, gas supply and solid waste management;

### Our Stakeholders, Investors and Developers

By delivering consistency, certainty and confidence in Mount Hotham by undertaking quality Resort Planning and Development, reliable utility services, effective marketing and business and product development, clear and unambiguous land and lease management, and efficient revenue collection;

#### Our Corporate Performance

By measuring and monitoring our performance through a set of corporate performance indicators developed and reported against in our Annual Report.

We are committed to achieve the purpose of the Victorian Alpine Resorts (Management) Act 1997, and the vision for the Resort as outlined in the Alpine Resorts Strategic Plan 2012 and in the MHARMB Strategic Management Plan 2013-2018 **Our Strategy** 

The following seven program areas are the conduit between Mount Hotham's operations; the governing legislation and our strategic documents.

### Our Customer and Community Focus

To deliver quality and reliable customer and community service through motivated, highly trained and competent staff.

#### Our Year Round Resort

To identify and realise opportunities and experiences that attract visitors to Mount Hotham, and the associated private and public investments throughout the year.

#### **Our Services**

We will deliver quality and reliable utility services at a low sustainable cost, whilst ensuring a positive visitor experience and ensure that our infrastructure will support the Resort's strategic direction of an incremental build-out of commercial space.

#### Our Developer Services

Our aim is to manage Resort development and planning; property development and leasing with the shortest planning and development cycle that encourages investment and development in line with the Resort Master Plan.

Our Environment on the Ridge

We will set the standard and be recognised for our environmental excellence and unique location, and contribute to the promotion of repeat visitation and encouragement of new investment.

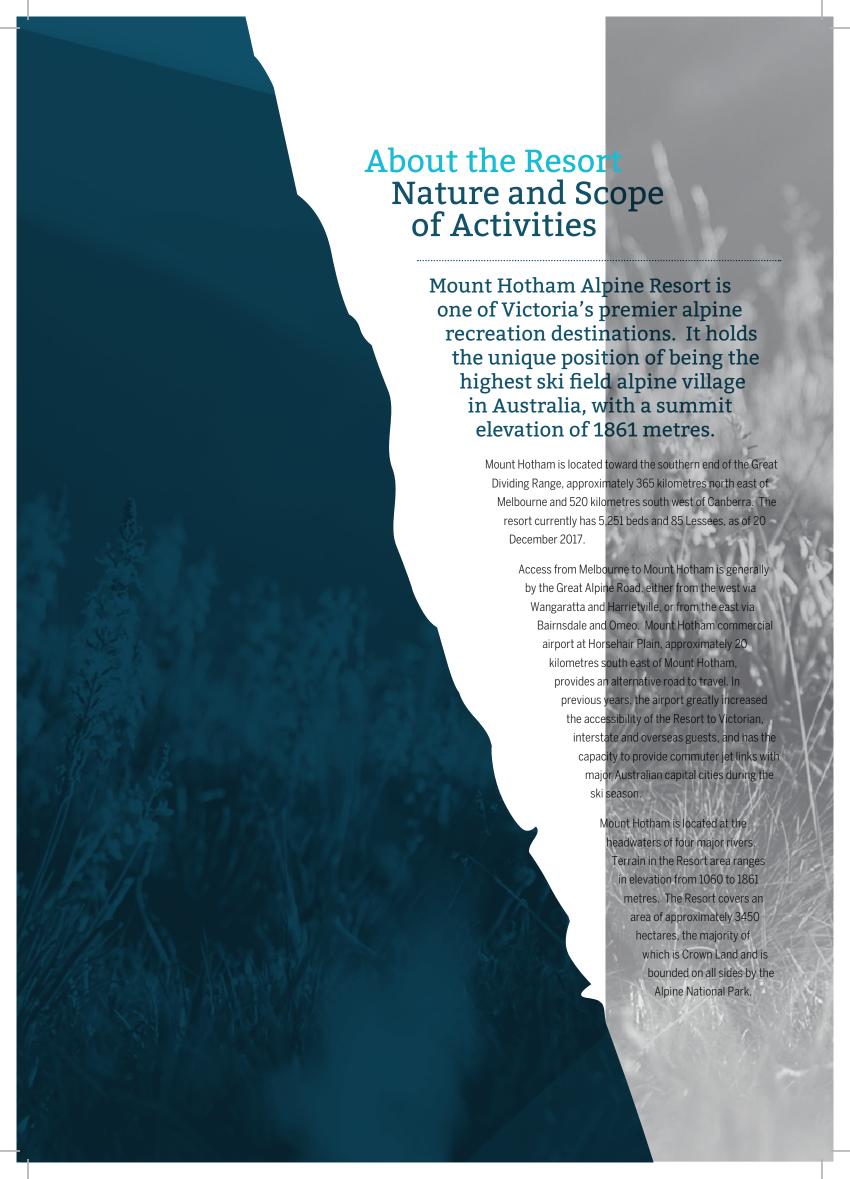
#### Our Strategic Partnerships

We will enter strategic partnerships to access cost effective services and grow the Resort in a sustainable manner.

#### **Our Corporate Governance**

To ensure that strategic management, planning, and resort management is delivered through streamlined processes, while meeting all statutory obligations.





# About the Resort The Board facilitates the following activities at Mount Hotham:

The ski field comprises 320 hectares, or seven per cent of the total resort area. The urban area of the village covers approximately 15 hectares, and is in area less than 0.003 per cent of the adjoining

National Park.

The Alpine Resort Management act prescribes the primary attraction of Mount Hotham is as a tourist destination during winter months. The Resort has developed historically as a resort for "serious" skiers, with a total of 13 lifts which service 76 runs, of which 6 are green; 34 are blue; 25 are black and 11 are double black.

Summer tracks are growing in popularity, including the completion of the 'Falls to Hotham Alpine Crossing' that joins the Australian Alps Walking Track.

Many of Mount Hotham's access trails and cross country tracks also double as walking and mountain bike tracks during the summer months. The Brabralung Trail, Cobungra Ditch Trail, and the Three Huts Walk, when combined with the iconic Razorback/Mt Feathertop Walk and Falls to Hotham, offer guests the full social spectrum of walks for all abilities and levels of fitness. The Brabralung Trail is an excellent example of the The Board working closely with the Alpine Shire and Parks Victoria to create a quality non-winter alpine product.

Significant works have continued this summer to improve and develop our Tracks and Trails network, with a focus on trailhead identification and beautification works to the Mount Hotham village. With the development of the new internal village trail, it has the potential to add to the suite of green season products available at Mount Hotham.

Ensuring the consistent and reliable delivery of core services is necessary to maintain the ongoing daily viability of the Resort, and to provide the foundation on which all other businesses operating within the resort rely. The level of these services is determined annually in the budget process.

#### **Utilities**

Water, sewerage, drainage, waste management, snowmaking infrastructure, plant/vehicle and workshops.

#### **Land Management and Environmental Services**

Property development, environmental, Native Title & Traditional Owner Settlement Act, prescribed accommodation stewardship, property and leasing, licenses, planning, building, health, capital works and operations.

#### **Corporate Services**

Strategic, business and resort master planning, administration, stakeholder management, emergency management, human resources, Board administration, compliance, corporate governance, risk management facilitation, OH&S, financial management and information technology.

#### **Risk Management**

Risk register, asset maintenance, risk appetite and risk management.

#### **Business Undertakings**

Gas supply and Victorian Alpine Nursery.

#### **Business and Product Development**

Product development, business development (Resort Master Plan, Sustainable Growth Plan, Tourism and Marketing Strategy), website development (www.developmthotham.com.au, www.explore. mthotham.com.au and www.mthotham.com. au), weather and snow reporting, walking trail products and the True Spirit of Alpine Australia Microsite.

### Public Access, Safety and Education

Ski Patrol, public infrastructure, guest safety, village maintenance, car parks and roads, resort entry and guest information, traffic control, transport, trails and snow play, snow clearing, cross country trails and public liability insurance.

### About the Resort Financial Summary

The 2017 accounts produced a deficit of \$172,691 for the year (2016 \$142,113 surplus for a 14-month reporting period). The Board budgeted for a deficit of \$335,265 to support two key areas of focus, resort growth and development on the Growing Mt Hotham Project by raising brand awareness and exposure through an active marketing campaign. Upon engaging in the campaign, a number of stakeholders who indicated earlier commitment withdrew which exposed the Board to assume a greater share of the expenditure.

The "True Spirit of Alpine Australian" campaign won two awards. The Australasian Leisure award for Leisure Industry Communication and Marketing award for Government Department/ Agency and a 2017 RACV Victorian Tourism Award for Destination Marketing. This award gained the Board eligibility as a nominee for the Australian Tourism Award for Destination Marketing held in Perth and is a finalist in the Mumbrella Travel Marketing Awards for the category break through destination of the year.

Early snow fall enabled the ski field to open from opening weekend in June. Good conditions for snow making throughout June and early July ensured a product for the July school holidays. Natural snow falls during late July saw the whole mountain open and consistent falls early September produced some of the driest snow Australia has ever experienced. This all added to the extension of the ski season for an extra week

to encapsulate the two weeks of Victorian school holidays, all this producing revenue exceeding the 2018 budget by \$378,907.

With great snow conditions there is always an element of risk, this season was no exception. Our ski patrollers experienced a heavy burden of workcover claims which totaled \$123,955 impacting our wages expense although a large % was reimbursed by our insurer Allianz, the make-up pay in accordance with the EBA has resulted in a negative impact to the bottom line of approximately \$50,650 plus additional shifts required on the ground to cover the lost time due to injuries.

|  | FY12/13         | FY13/14         | FY14/15         | FY15/16         | FY 2017         |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 12 Month Period | 12 Month Period | 12 Month Period | 14 Month Period | 12 Month Period |
| Financial Summary                                    | \$000           | \$000           | \$000           | \$000           | \$000           |
| Total Assets   | 80,179          | 88,443          | 88,666          | 82,824          | 82,977          |
| Total Liabilities                                    | 3,311           | 3,562           | 3,288           | 3,347           | 3,535           |
| Net Assets   | 76,868          | 84,881          | 85,378          | 79,477          | 79,442          |
| Assets are comprised by date                         |                 |                 |                 |                 |                 |
| Land   | 41,815          | 41,815          | 41,815          | 30,821          | 30,821          |
| Financial  | 4,424           | 10,559          | 7,036           | 4,997           | 5,329           |
| Other Non-Financials                                 | 33,940          | 36,069          | 39,815          | 47,005          | 46,827          |
| Total Assets   | 80,179          | 88,443          | 88,666          | 82,823          | 82,977          |
| Five Year Revenue And Expenditure Overview - Revenue |                 |                 |                 |                 |                 |
| Site Rental  | 1,512           | 1,421           | 1,440           | 1,583           | 1,391           |
| Annual Service Charges                               | 3,863           | 4,193           | 4,343           | 5,181           | 4,565           |
| Capital Ingoings                                     | 24              | 177             | 134             | 41              | -               |
| Visitors   | 2,334           | 2,665           | 2,731           | 2,816           | 3,270           |
| Grants   | 65              | 60              | 74              | 152             | 205             |
| Other Sources  | 2,293           | 2,362           | 2,065           | 1,990           | 2,113           |
| Total Revenue  | 10,091          | 10,878          | 10,787          | 11,763          | 11,546          |
| Expenditure  |                 |                 |                 |                 |                 |
| Operating expenses                                   | 7,975           | 8,146           | 8,414           | 9,355           | 9,637           |
| Depreciation   | 1,240           | 1,233           | 1,373           | 1,684           | 1,548           |
| Finance Expenses                                     | 115             | 110             | 105             | 116             | 92              |
| Support Payments                                     | 210             | 356             | 398             | 466             | 441             |
| Total Expenditure                                    | 9,540           | 9,845           | 10,290          | 11,621          | 11,718          |
| Net Operating Result                                 | 551             | 1.033           | 497             | 142             | (172)           |

Wages also increased greater than the EBA's annual 2.5% entitlement due to employment of the equivalent to 3 FTE supporting the growth and marketing focus.

A few unexpected risk management jobs presented during the year which put pressure on the budget beyond the Boards control, however was recoverable within the Boards budget due to delays in rolling out the scope for IT cloud services.

There were 10 consultants engaged in projects with MHARMB for the 2017 year. A total of 3 consultancies valued less than \$10,000 was \$18,277.51. The following table lists the 10 consultants where total remuneration was \$10,000 or above.

| Consultancies                                   | Project   | No. | \$           |
|---|---|-----|--------------|
| Alpine Building Permits & Consultants           | Building Permits/survey and consulting  |     | \$30,008.00  |
| Biosis Research                                 | Environmental survey across resort  |     | \$72,052.00  |
| Coffey Geotechnics Pty Ltd                      | Geotechnical Assessments  |     | \$57,473.00  |
| Dean Heinze                                     | Mountain Pygmy Possum Program   |     | \$11,710.00  |
| Hays Specialist Recruitment (Australia) Pty Ltd | Employment of Financial Controller  |     | \$21,956.00  |
| Horizon Studio                                  | Architectural Design  |     | \$44,076.00  |
| On Tap Consulting Pty Ltd                       | Leasing and Property Consulting, Capex and<br>Development Growth and Grow Mt Hotham Project |     | \$88,170.00  |
| Solutions H2O                                   | Consult on Sewerage Treatment Plant   |     | \$41,448.00  |
| Surface Consulting                              | Consult Hotham Bus Tender and various funding applications                                  |     | \$49,465.00  |
| Yabbie Pond Pty Ltd                             | Potable Water compliance  |     | \$11,220.00  |
| Subtotal (greater than \$10,000)                |   | 10  | \$427,580.00 |
| Subtotal (less than \$10,000)                   |   | 3   | \$18,277.00  |
| Total Consultants                               |   | 13  | \$445,857.00 |

#### **Major Contracts**

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

#### Disclosure of Government advertising expenditure

The Board engaged in the following advertising campaign with a media spend greater than \$150,000

| Name of campaign                  | Contractor           | Start Date | End Date  | Advertising \$ | Creative & Campaign<br>Development \$ |
|-----------------------------------|----------------------|------------|-----------|----------------|---------------------------------------|
| True Spirit of Australia Campaign | 10 Feet Tall Pty Ltd | 12-Jun-17  | 17-Sep-17 |                | \$299,200.00                          |
|                                   | MK Media             |            |           | \$274,647.00   |                                       |
| Total Media                       |                      |            |           | \$274,647.00   | \$299,200.00                          |

#### Disclosure of Information and Communication Technology expenditure

For the 2017 reporting year, the Board had a total ICT expenditure of \$641,598, with the details shown below.

#### Total ICT expenditure for the 2017 period

| Total ICT             |             | \$641.598.00 |
|-----------------------|-------------|--------------|
| Non-Business As Usual | Capex       | \$265,949.00 |
| Business As Usual     | Opex        | \$375,649.00 |
| Expenditure Category  | Description | \$           |

ICT expenditure refers to the Boards costs in providing business enabling ICT services within the current reporting year. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU expenditure relates to enhancing the Boards current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

### About the Resort **Key Performance Indicators**

Strategic, business and resort master planning, administration, stakeholder management,

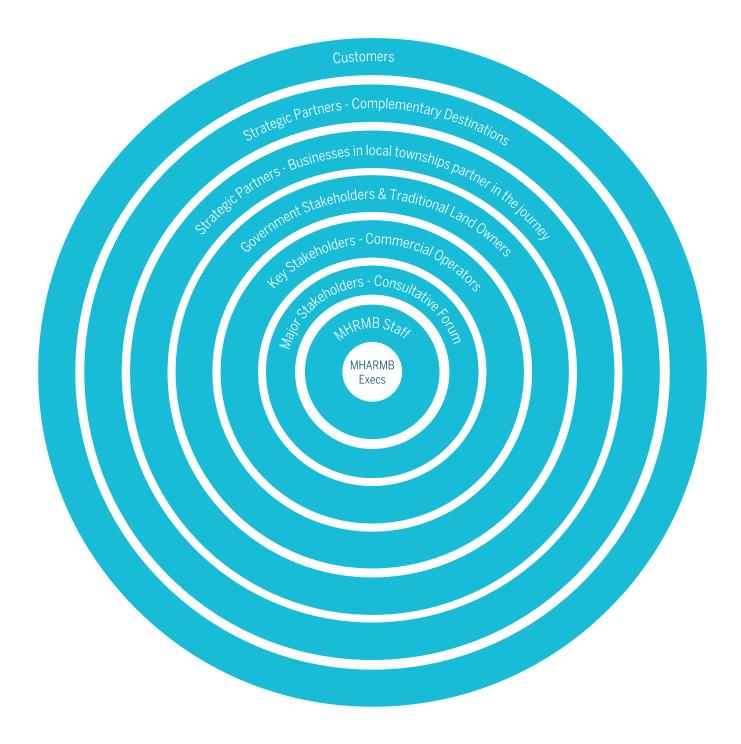
|  | FY12/13 | FY13/14 | FY14/15 | FY15/16 | FY 2017 |
|--|---------|---------|---------|---------|---------|
| Customer Service   |         |         |         |         |         |
| Total Visitor Days (Winter)  | 264,527 | 332,281 | 313,341 | 328,602 | 368,313 |
| Market Share (Victorian majors visitor days)   | 25.07%  | 28.52%  | 26.95%  | 26.85%  | 26.24%  |
| Accident Rate/'000 visitor days (Hotham Historical average)  | 0.95    | 1.51    | 1.77    | 1.54    | 1.42    |
| Operations   |         |         |         |         |         |
| Property Revenue/FECA  | 63.81   | 66.62   | 68.08   | 79.56   | 69.60   |
| Infrastructure and Admin Costs/FECA  | 79.10   | 78.33   | 77.05   | 84.05   | 78.85   |
| Village, Visitor and Marketing costs/Visitor Day   | 10.07   | 9.03    | 11.15   | 11.42   | 11.28   |
| Environmental Management   |         |         |         |         |         |
| Potable water quality<br>(compliance with Australia Drinking Water Guidelines as reported to DHHS) | 100%    | 100%    | 100%    | 100%    | TBA     |
| Wastewater quality (compliance with Licence Limits as reported to EPA)                             | 100%    | 62.5%   | 89%     | 100%    | TBA     |
| Solid waste - kilograms (winter period) per visitor day  | 0.68    | 0.54    | 0.50    | 0.50    | TBA     |
| Resort Investment  |         |         |         |         |         |
| Total Village Size (FECA)  | 84,228  | 84,270  | 84,941  | 85,013  | 84,868  |
| Total CAPEX ('000) (includes Geotech and WIP)  | 1.02    | 3.34    | 5.19    | 3.94    | 1.4     |
| Financial  |         |         |         |         |         |
| Outstanding Debtors as % of revenue  | 7.51    | 8.29    | 6.47    | 9.09    | 8.90    |
| Closing cash   | 3,665   | 9,657   | 6,338   | 3,928   | 4,301   |
| Operating Cash Flow/Total Assets   | 2.17    | 2.70    | 2.12    | 1.99    | 1.99    |
| Current Assets/Current Liabilities   | 3.16    | 5.94    | 4.38    | 2.87    | 2.66    |

## Economic Key Performance Indicators

| ash Flow erating Cash flow plus Net Investing Cash Flow as reported in Cash Flow Statement ccrual Surplus offit before allocation to Reserves as reported in the Statement of Financial Performance ess Cycle Sustainability | 12 month period<br>(4,234,193)<br>496,546 | 14 month period<br>(996,296)                                  | 12 month period<br>492,213<br>(172,691)          |
|--|---|---|--|
| erating Cash flow plus Net Investing Cash Flow as reported in Cash Flow Statement  ccrual Surplus  offit before allocation to Reserves as reported in the Statement of Financial Performance                                 |   |   | . , .  |
| ccrual Surplus  ofit before allocation to Reserves as reported in the Statement of Financial Performance   |   |   | . , .  |
| ofit before allocation to Reserves as reported in the Statement of Financial Performance   | 496,546                                   | 142,113   | (172,691)  |
| <u> </u>   | 496,546                                   | 142,113   | (172,691)  |
| ess Cycle Sustainability   |   |   |  |
|  |   |   |  |
| f Total Financial Assets less Net Accounts payable less Total Accrued Employee Entitlements to<br>Drought Reserve Target   | 4.336                                     | 3.96  | 3.68   |
| Cycle Sustainability   |   |   |  |
| f Total Financial Assets less Net Accounts payable less Total Accrued Employee Entitlements low Drought fund to Total Accumulated Depreciation of all Assets.  | 0.28                                      | 0.52  | 0.31   |
| ason Resort  |   |   |  |
| f non winter visitors to winter visitors   | 0.90                                      | 1.23  | 0.97   |
| ge Visitor Spend   |   |   |  |
| .go  |   |   | 39.18  |
| f  |   | non winter visitors to winter visitors 0.90  ge Visitor Spend | non winter visitors to winter visitors 0.90 1.23 |

### About the Resort

### Stakeholder Communications Framework



The Stakeholder Communication Framework Policy aims to aid MHARMB in maintaining a good relationship with the community and its stakeholders by ensuring the transparent and clear communication of its goals, strategies and performance.

MHARMB has provided this framework so that it is able to submit full timely disclosure of relevant information to its appropriate stakeholders, and to ensure the information is consistent, accurate and is shared on a non-exclusive basis.

### About the Resort Social Key Performance Indicators

Theme, indicator and measurements.

#### Valuing Culture and Heritage

#### S1 Indigenous employment opportunities

#### VALUING CULTURE AND HERITAGE

S1 Indigenous employment opportunities. Indigenous capacity building, engagement, training and/or employment targets.

**2017 actions** – Close continued working relationship with Gunaikurnai.

#### **CULTURAL HERITAGE MANAGEMENT INITIATIVES**

**S2 Respect for culture and heritage**. Cultural heritage management initiatives.

**2017 actions** - Interpretive Indigenous signage on the tracks and trails continued. Australian Alpine Snow Sports History Association annual meeting was held at Mount Hotham in 2017.

#### **COMMUNITY STRENGTH**

S3a Supporting community participation - events. Community participation in Resort sponsored events, donations, programs and activities.

**2017 actions -** Volunteer Ski Patrol, 5th annual Camp Quality fundraiser, Biggest Morning Tea in May, GAR Marathon, Davenport Sled Race, Snowman Competition, entry prizes for local charity raffles, free guided bush walks, and fundraisers including CFA, and Resort fundraisers.

S3b Supporting community participation - consultation. Opportunities provided to the community to contribute to decisions that affect them.

**2017 actions** - Consultation for strategic planning, Resort Master Plan, continued ESTA Street Numbering Project, Lodge managers' annual workshop, head lessees briefing, consultative forum, annual stakeholder meeting at MCG plus follow up/debrief meeting, generation of the Community Engagement Plan.

**S4** Accessible on-mountain key community services. Summer and winter presence of key community services, emergency services, medical services and grocery store.

**2017 actions** - Medical centre (fully subsidised accommodation), subsidy to police station and emergency services. Subsidised after hours medical services and equipment purchases for medical centre.

#### **WORKPLACE QUALITY**

**S5 On-mountain worker accommodation.** Number of beds provided by major employers.

**2016 actions** - Subsidy on worker housing, staff choice of housing, flexible working hours, staff training for multi-skilling and capacity building, worker transport (summer), staff training program, continued working with youth through programs like Green Army, alpine ecology course training, and subsidised staff passes.

#### **GUEST FULFILMENT**

**S6 Equitable access for Victorians.** Enabling actions that facilitate culturally diverse patronage and access for disabled, socially disadvantaged and economically disadvantaged Victorians.

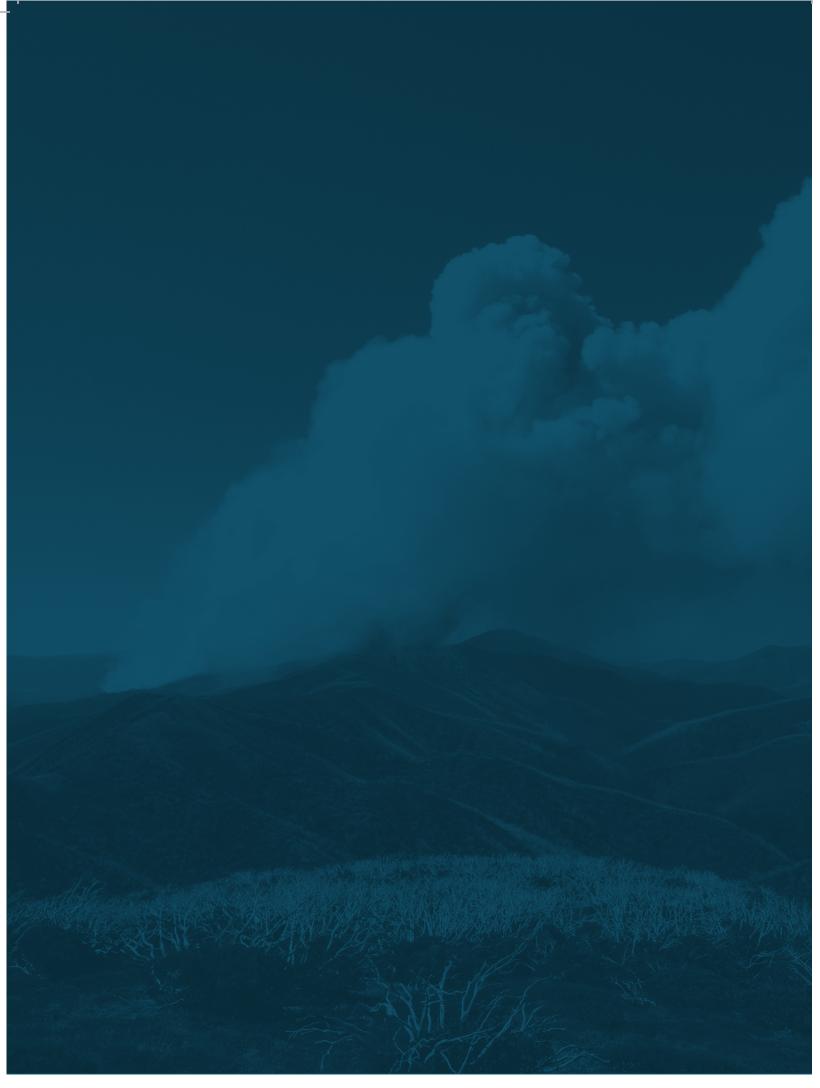
**2017 actions** - Locals' ski pass, guides for people with visual disability, free gate entry to local school students, tertiary student subsidy, skidoo and other transport for people with mobile disability, inter-village bus service, graphic signage system throughout village, Omeo to Bright Alpine Bus Link, disabled visitor guides, wheelchair transport vehicle, free roadside assistance, free cross country skiing, community toboggan slope, continued development of summer products, and an increase in Disabled Wintersport Australia engagement and multilingual village map guides.

**S7 Availability of a range of accommodation.** Publicly bookable beds per accommodation type.

2017 actions - Broad range of accommodation types (2 - 5 star), lodge style, motel and self-contained.

### **Environmental Key Performance Indicators**

| N.1 | Compliance with water licence conditions   | 2014/15     | 2015/16   | 2017       |
|-----|--|-------------|-----------|------------|
|     | a) Safe Water Drinking Act standards   | 100%        | 100%      | 100%       |
|     | b) EPA licence conditions  | 89%         | 100%      | TBA        |
|     | c) GMW licence conditions  | 100%        | 100%      | TBA        |
| N.2 | Potable Water consumption  |             |           |            |
|     | a) Winter total potable water usage  | 61ML        | 61ML      | TBA        |
|     | b) Annual total potable water usage  | 102ML       | 110ML     | TBA        |
|     | c) Winter total potable water usage/visitor  | 0.20 kl/vol |           |            |
| N.3 | Renewable Energy consumption by Board  |             |           |            |
|     | Renewable energy as a proportion of total energy consumption (Joules) by Board related       |             |           |            |
|     | activities per annum Unit: % (Joules/Joules)   | 0%          | 0%        | 0%         |
| N.4 | Greenhouse Gass Emissions  |             |           |            |
|     | Greenhouse gas emissions from electricity, diesel and ULP consumption by MHARMB activities   | 2262.0 t    | 1770.7 t  | TBA        |
| N.5 | Solid Waste Disposed to Landfill   |             |           |            |
|     | Solid waste disposed to landfill based on truck tonnage figures                              |             |           |            |
|     | a) Annual tonnage  | 180.9 t     | 214 t     | 165.8t     |
|     | b) Winter tonnage  | 155.7 t     | 163 t     | TBA        |
|     | c) Winter tonnage/visitor days   | 0.50 kg/vol | 0.5kg/vol | 0.45kg/vol |
| N.6 | Activities implemented that protect threatened species population and communities            |             |           |            |
|     | Activities implemented within threatened species action management plans to protect threaten | ied         |           |            |
|     | species populations and communities.   | 100%        | 100%      | 100%       |



### Our Customer and Community Focus 2017 Workforce Data

Mount Hotham Alpine Resort Management Board has introduced policies and practices that are consistent with the Victorian Public Service Commission (VPSC) employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. All employees of Mount Hotham Alpine Resort Management Board are provided with the VPSC Code of Conduct at induction. Mount

Hotham Alpine Resort Management Board provides training for its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

The following table discloses the headcount and full-time staff equivalent (FTE) of all active employees of the Mount Hotham Alpine Resort Management Board employed at the last full pay period in June of the current reporting period and in the last full pay period in June (2017) of the previous reporting period (2016).

In accordance with FRD 29B, workforce data has been included for the Executive Officer and senior non-executive employees. Financial data for these positions is included at tables 9.8 & 9.9 of the financial reports.

#### Details of employment levels in June of 2016 and 2017 (i)(ii)

#### JUNE 2017 JUNE 2016

|                                   | All emplo             | yees | C                        | Ongoing                  |      | Fixed Tei<br>Casi     |        | All Emplo             | yees | C                        | Ongoing                  |      | Fixed Ter<br>Cası     |        |
|-----------------------------------|-----------------------|------|--------------------------|--------------------------|------|-----------------------|--------|-----------------------|------|--------------------------|--------------------------|------|-----------------------|--------|
|                                   | Number<br>(Headcount) | FTE  | Full Time<br>(Headcount) | Full Time<br>(Headcount) | FTE  | Number<br>(Headcount) | FTE    | Number<br>(Headcount) | FTE  | Full Time<br>(Headcount) | Part Time<br>(Headcount) | FTE  | Number<br>(Headcount) | FTE    |
| Gender                            |                       |      |                          |                          |      |                       |        |                       |      |                          |                          |      |                       |        |
| Male                              | 57                    | 45.0 | 12                       | 1                        | 12.6 | 44                    | 32.4   | 60                    | 54.1 | 11                       | 2                        | 12.4 | 47                    | 41.7   |
| Female                            | 26                    | 20.1 | 9                        | 7                        | 13   | 10                    | 7.1    | 28                    | 23.2 | 8                        | 6                        | 11.3 | 14                    | 11.9   |
| Age                               |                       |      |                          |                          |      |                       |        |                       |      |                          |                          |      |                       |        |
| 15-24                             | 6                     | 4.6  | 2                        | 0                        | 2.0  | 4                     | 2.6    | 7                     | 6.2  | 0                        | 0                        | 0.0  | 7                     | 6.2    |
| 25-34                             | 15                    | 12.7 | 3                        | 0                        | 3.0  | 12                    | 9.7    | 14                    | 12.5 | 3                        | 0                        | 3.0  | 11                    | 9.5    |
| 35-44                             | 20                    | 15.4 | 4                        | 3                        | 5.5  | 13                    | 9.9    | 25                    | 22.5 | 6                        | 2                        | 6.9  | 17                    | 15.6   |
| 45-54                             | 19                    | 15.9 | 6                        | 3                        | 7.7  | 10                    | 8.2    | 22                    | 18.9 | 6                        | 3                        | 7.7  | 13                    | 11.2   |
| 55-64                             | 17                    | 12.5 | 5                        | 1                        | 5.6  | 11                    | 6.9    | 15                    | 12.6 | 4                        | 1                        | 4.5  | 10                    | 8.1    |
| 65+                               | 6                     | 4.0  | 1                        | 1                        | 1.8  | 4                     | 2.2    | 5                     | 4.6  |                          | 2                        | 1.6  | 3                     | 3.0    |
| Classification(vi)                |                       |      |                          |                          |      |                       |        |                       |      |                          |                          |      |                       |        |
| Managers                          | 7                     | 6.9  | 5                        | 0                        | 5.0  | 2                     | 1.9    | 7                     | 7    | 4                        | 0                        | 4.0  | 3                     | 3.0    |
| Professionals                     | 11                    | 9.6  | 6                        | 3                        | 8.0  | 2                     | 1.6    | 8                     | 7    | 3                        | 4                        | 6.0  | 1                     | 1.0    |
| Technicians and Trades            | 8                     | 6.6  | 3                        | 3                        | 4.6  | 2                     | 2.0    | 10                    | 7.5  | 4                        | 3                        | 5.3  | 3                     | 2.2    |
| Community and Personal<br>Service | 21                    | 13.2 | 0                        | 1                        | 0.6  | 20                    | 12.6   | 25                    | 21.3 | 0                        | 1                        | 0.4  | 24                    | 20.9   |
| Clerical, and Adminis-<br>tration | 8                     | 7.4  | 3                        | 1                        | 3.4  | 4                     | 4.0    | 7                     | 7    | 4                        | 0                        | 4.0  | 3                     | 3.0    |
| Machinery operators and Drivers   | 25                    | 19.5 | 4                        | 0                        | 4.0  | 21                    | 15.5   | 27                    | 24.5 | 4                        | 0                        | 4.0  | 23                    | 20.5   |
| Labourers                         | 3                     | 1.9  | 0                        | 0                        | 0.0  | 3                     | 1.9    | 4                     | 3.0  | 0                        | 0                        | 0    | 4                     | 3.0    |
| Senior Employees (vii)            |                       |      |                          |                          |      | Male                  | Female |                       |      |                          |                          |      | Male                  | Female |
| Executive Officer                 | 1                     | 1    | 1                        |                          | 1    | 1                     |        | 1                     |      | 1                        |                          |      | 1                     |        |
| Senior Managers                   | 4                     | 4    | 4                        |                          | 4    | 2                     | 2      | 4                     |      | 4                        |                          |      | 2                     | 2      |
| Total employees                   | 83                    | 65.1 | 21                       | 8                        | 25.6 | 54                    | 39.5   | 88                    | 77.3 | 19                       | 8                        | 23.7 | 61                    | 53.6   |

#### Notes

- (i) All figures reflect employment levels during the last full pay period in June of each year as reported to annual VPSC workforce data collection report.
- (ii) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies.
- (iii) Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June
- (iv) The reduction in employment headcount levels between June 2016 and June 2017 is a result of a reduction in casual employment following implementation of initiatives to cross train seasonal employees; reducing demand on Board accommodation, greater flexibility in rostering, more responsive workforce to customer needs; and a reduction in employee numbers at 30 June '17.
- (v) 36.5 fixed term and casual FTE staff were employed to fill short term seasonal contracts for Winter Snow Season Guest service operations (June-Sept)
- (vi) Mount Hotham Alpine Resort Management Board's employees are classified in accordance with ANZSCO2016-17 advice to Alpine resorts distributed by the Victorian Public Sector Commission annually;
- (vii) Mount Hotham Alpine Resort Management Board's senior employees are classified as follows: Executive Officer, and Senior Managers

## Our Customer and Community Focus Our Human Resources and

## Our Human Resources and Organisational Development

The Board's aim is to provide effective ongoing management of organisational development, OH&S, Work Cover, human resource management, emergency management administrative systems and processes.

It is also essential that we organise our human resources in a way that delivers the most effective service to the community and our visitors, whilst recognizing our obligations to staff.

### Equal Employment Opportunity

The Board is an equal opportunity employer and all appointments and promotions are merit-based and based on the principles of the Public Administration Act 2004. The Board has fulfilled its obligations under section 7, public sector values, of the Public Administration Act 2004, upholding responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

#### **Industrial Relations**

There were no industrial disputes during the reporting period.

Negotiations for the new Mount Hotham Alpine Resort Management Board's Enterprise Agreement were successfully concluded and resulted in an "In Principle" agreement was reached prior to the end date of the previous Enterprise Agreement.

Following extensive review within the various public sector bodies the draft Enterprise Agreement was submitted to the Fair Work Commission on 19 June 2017. The Fair Work Commission Enterprise Agreement was ratified on 22 August 2017.

The Agreement is premised on recognising Mount Hotham as a remote, hazardous and isolated work environment. The need to attract and retain the best, most competent, flexible, willing staff is essential in providing a seamless customer service that enhances the visitor

experience. A submission was made to the Fair Work Commission's four yearly review of the Alpine Resorts Award with other Alpine The Board's. The Fair Work Commission review is still pending..

### Occupational Health and Saftey (OH&S)

Occupational Health and Safety (OH&S) is a significant component of our Risk Management Policy and The Board is fully committed to establishing a healthy and safe work environment for our permanent staff, seasonal staff, contractors and guests by:

- Encouraging individuals to use safe systems of work by providing information, instruction and training;
- Pre-commencement medical and physical assessments of staff as appropriate;
- Provision of and safe plant and equipment for use by appropriately licenced operators; and
- Compliance with legislative requirements and current industry standards.

There were no major OH&S issues in this reporting period. Total lost time injury in 2017 was 158 days:

- Permanent Employees 6 days
- Seasonal Employees 152 days

A total 88 days were lost due to recovery from 2016 post season joint surgery, required for two winter employees. A further 50 days were lost due to 2017 post season joint surgery, required for one winter employee. Recovery from 2017 injury will continue into 2018.

### Occupational Health and Safety Committee

The OH&S Committee held seven meetings during the 2017 reporting period and has been engaged in:

- Writing policy and procedures, including management and action plans;
- Conducting workplace inspections;
- Identifying and recommending action to address Hazards in the workplace;
- Facilitating training sessions;
- Reviewing the OH&S Management System.

#### **Resort Management Team**

The Day to day running of the organisation is undertaken by the CEO and a small year round work force, which is supplemented by seasonal staff and volunteer ski patrollers. All staff members are employed under the Mt Hotham Resort Management Enterprise Agreement 2016. The CEO is contracted under Government Sector Executive Remuneration Panel guidelines.

#### Training and Development

Training and development at Mount Hotham Resort Management encourages our staff to keep up to date with their knowledge and skills in a variety of work areas.

Training undertaken in 2016/17 was beneficial for staff through the following courses:

- Traffic Control
- Freedom of Information
- Heavy Vehicle Licence
- Chemical User
- Public Lands Training Crown Land Law
- Municipal Fire Prevention Officer (MFPO)
- Road Governance
- Confined Spaces
- Workers Compensation
- · Dealing with Conflicts of Interest
- Lynda.com online training
- Media Training Good Talent
- Alpine Ecology
- Hazardous Areas Endorsement

- Report Writing
- First Aid & CPR Refresher
- Alpine Level One Ski Instruction
- Certificate III in Accounts Administration
- Certificate III in Water industry treatment
- OPWEA Professional Certificate in Asset Management Planning
- Annual Ski Patrol Refresher Units

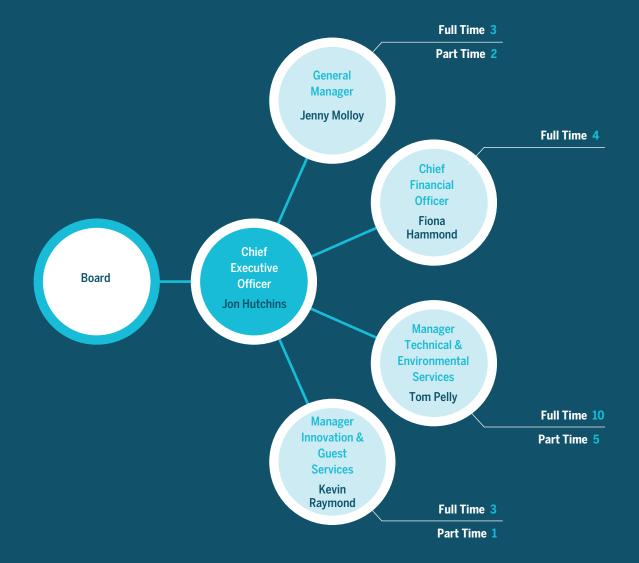
A number of these courses were either held onsite, locally or via online training.

Other organisations, either on mountain businesses or other Victorian alpine resorts, were also involved.

### Our Organisational Structure

Strategic, business and resort master planning, administration, stakeholder management,

The Mount Hotham Alpine Resort Management Board Acts on behalf of the Crown [S35] in carrying out its functions and powers. A Board may employ any persons it considers necessary for the purposes of the Act [S41]. This year a comprehensive review of the organisation was undertaken to ensure the most effective, efficient and safe delivery of Mountt Hotham's services. This resulted in a new organisational structure being adopted for permanent staff. As of December 2016 the organisation had the following:



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### Our Customer and Community Focus Ski Patrol and Skier Safety

#### The Patrol

The Hotham Ski Patrol is made up of paid and volunteer members.

#### For season 2017 there were:

- 23 x Paid Patrollers. (11 full time, 12 part time).
- 45 x Volunteer Patrollers (36 qualified and 9 trainees).
- 3 x Trail Crew (volunteer)

### Snowfall and Lift Operations

It was one of the better seasons of the past couple of decades. We enjoyed a great base (machine made and natural) for most of the winter, several significant storm events producing many excellent powder days, very few rain days, and plenty of fine weather.

Natural snow was in very short supply during June and July however the conditions were ideal for snowmaking. This enabled a gradual opening of all of the runs covered by snowmaking, and the small amounts of natural snow that also fell during this period was just enough to open some other terrain. The snow cover and the snow quality were surprisingly good during this time. Early August saw the first of 3 big snow events that turned the season from average to great. From then on the snow kept falling, and the base stayed between 1 and 2 meters for the remainder of the season allowing most lifts and

runs to stay open until October. September had many days of fine weather and good spring snow conditions. The season was extended until October 8 due to the excellent snow cover still remaining in many areas.

#### Lifts

Summit, Summit Trainer and Big D – June 10 to October 8

The Village Chair and Road Runner – June 27 to October 8 Playground Chair – July 1 to October 1

Heavenly Valley - July 1 to October 8

The Drift – July 11 to October 8 Gotcha – July 20 to October 2 Keogh's/Orchard - July 27 to October 2

Blue Ribbon – August 7 to September 28

#### Snowfall

**Total snowfall** – 473 cm (299 cm is the 10 year average)

**Biggest Base** – 200 cm (September 8)

**Biggest 24 hr snowfall** – 49 cm (August 7)

Biggest Storms – 114 cm (August 4–9), 80 cm (September 4-9), 61 cm (August

**Total Snowfall Days** – 51

16-19)

Rain Total – approximately 120 mm (80 mm on August 16) No Rain before August 15 Total Rain days - 10

#### Snowmaking

The snowmaking on the Summit was completed during the summer, and several more mobile snowguns were purchased and utilized in other areas of the mountain. The pre and early season conditions proved ideal for snowmaking, allowing skiing from the opening weekend, and lots of terrain to open for the busy school holiday period. The base and the cover provided by snowmaking is well known, but it was the excellent quality of the machine-made snow that surprised many this season. The snowmakers and groomers did an incredible job providing such a great product during the early part of the season.

#### Accidents

The Patrol attended to approximately 1023 callouts (769 in 2016), with 464 requiring further treatment at the medical center. The accident rate per thousand skier days was 1.42, which is below 2016 (1.55) and well below the accepted international average of 2.4 per thousand skier days.

Most accidents attended to were minor injuries at the beginner areas of The Summit and The Big D, followed by the high traffic area of Slalom Gully (10%). In comparison, The Extreme Areas only account for approximately 1% of all accidents. There were surprisingly few serious trauma accidents attended to, with only one requiring air evacuation.

The increased number of callouts is most likely directly related to the increased visitation, while the few significant trauma events could be attributed to the usually soft snow conditions that prevailed for the majority of the season.

#### Avalanche Hazard

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Due to the increased snowfall and high winds during several major storm events, we had heightened avalanche risk many times during the winter.

#### Within the Ski Area

The ski patrol regular conducted avalanche control work within the ski area boundary throughout these periods, with several mornings resulting in the mitigation of significant hazard. There were no avalanche incidents reported within the ski area during the winter.

#### Backcountry

There were several minor avalanche involvements and one very significant near miss in the nearby backcountry areas. The significant near miss occurred in early August on the first sunny day after the first big storm event. Two skiers were climbing out of the valley when the slope they had just skied produced a very large destructive avalanche. It was the biggest avalanche we have seen in the vicinity for decades. The skiers were fortunately in a safe area just to the side of the avalanche path when it occurred.

#### Avalanche Hazard Alerts

A significant avalanche alert had been posted that day in the 'Back-country' field of the Hotham website.

Hazard alerts were also posted on the website on several other days of heightened risk.

Emergency Management Victoria also began broadcasting heightened avalanche risk through their networks.

The Ski Patrol Director (Bill Barker) acted as an advisor on avalanches for EMV's Emergency Management Team.

We are likely to see more avalanche involvements in future years, as the popularity of backcountry skiing and snowBoarding is growing rapidly.

### Search and Rescue

For the first time in many years the ski patrol did not have any extended search and rescue operations, or any evacuations requiring roped rescue. This was surprising considering the increased number of guests venturing into the nearby backcountry areas.

#### **Training**

Training accounts for a considerable percentage of ski patrol hours. The trainee program requires approximately 40 days of one on one training before a patroller reaches the required level for regular duties. Experienced patrollers receive regular refresher training along with further training in specific skill sets throughout the season. This year, we were able to continue to develop a format which allowed enough time and resources to adequately provide all of the necessary training. (This has been a challenge in past years).

Avalanche rescue, rope rescue, search and rescue, and steep snow and ice rescue are four specialized skills that require intensive training programs to be effective. Comprehensive programs have now been designed and delivered to a large portion of the patrol. Ongoing refresher training in these skills will always be required.

#### **Trainees**

There were 3 new trainees this season who all proved capable and progressed well.

#### **Trainers**

5 patrollers have now attained Certificate 4 in Training and Assessing which has helped us develop more effective programs, train our trainers more thoroughly, and gives more legal credibility to our whole training program.

#### **ASPA Trainers**

Several patrollers are now trainer/examiners within the ASPA (Australian Ski Patrol Association) framework. This enables certified training and assessments in certain competences (CPR, AED and Analgesics) to be delivered on mountain.

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#### **Volunteer Training**

The 2nd annual 'Senior Volunteer Intensive Training Weekend' was held in August. This program focusses on delivering higher level skill sets to experienced volunteer patrollers, and has proven to be a very effective format. The weekend is also a great way to acknowledge some of the longer serving patrollers, and has positive team building outcomes.

#### **Ropes Training**

2 patrollers attended the 5 day Victoria Police Rope Rescue course at Mt Buller.

A 4 day intensive rope rescue course was conducted for all paid patrollers during the 2nd week of the season.

#### **Nationals**

Mt Hotham hosted the National Patrol Exams. Nationals are exams in the highest level of skiing and rescue sled operations, and are held at a different resort each winter.

3 Mt Hotham patrollers sat and passed the exams.

#### **School Talks**

Patrol continued the School Education program with weekly presentations delivered to visiting school groups. The focus is on snow safety and accepted/expected slope use.

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#### Junior Open Days

The Junior Open Day program again proved very popular for its fourth year running. Two groups of up to 12 school children from the local area (and other regular visitors) spent 4 hrs learning about all things ski patrol. They were shown several skills throughout the day and participated in the sweep of the mountain on closing. The children love the experience, and it is great PR for the patrol.

#### Trail Crew

The volunteer Trail Crew program again proved enormously helpful with on slope equipment maintenance, and as a great stepping stone into the volunteer ski patrol. There were three Trail Crew members.

### Our Customer and Community Focus Ski Patrol and Skier Safety

#### Volunteer Patrol

The active Volunteer Patrol numbers are at the highest level for many years, maybe ever.

The volunteer patrol contributed a total of 638 shifts for the winter (including trainee and cross country shifts) which is an increase of 118 shifts from last year.

The 486 qualified volunteer patroller shifts accounts for approximately 38% of all patrol shifts. This is an increase in 17% from 2016 which in turn was considerably up on previous years.

The recent increase in volunteer shifts have had a major influence on the patrol as a whole. We are now able to deliver the required training during the season, while still having enough resources to maintain a high level of risk management across the resort.

The trainee induction program was held in August with 3 successful candidates, and another two who have been offered Trail Crew positions.

We believe that our Volunteer Patrol numbers are now at the optimal level so will only be recruiting to offset the natural attrition.

#### Pre Season Works

Ongoing replacement and maintenance of area boundary's continued.

New 'Ski Area Information' signs were mounted at Loch Carpark, Frosty Drop and Gotcha Access.

Permanent 'No Tobogganing' signs placed at strategic locations throughout the village

#### **Proposed Summer Projects**

A summer jobs list has been compiled with the main focus being on more new signage at strategic entry points to the ski area. The replacement and maintenance of the area boundary pole lines will also be continued along with some minor maintenance to ski field infrastructure.

#### **Snowmobiles**

The purchase of a 4th 4 stroke snowmobile for this season was a great benefit. We are now able to have one of our 3 operational machines being serviced while we utilize the 4th machine as an effective replacement.

#### **New Ski Patrol Patient Transfer Vehicle**

The Volunteer Ski Patrol donated a fully fitted out, brand new Mercedes Sprinter to the Resort Management, to be used for patient transfer within the resort when Vic ambulance is not required or available. The funding for the vehicle came mostly from a government grant that was procured, along with money raised through the volunteer fundraising efforts over recent years.

The vehicle accounted for approximately 50% of all transports throughout the village for the season, and is a huge benefit to the patrol.

### Our Customer and Community Focus Snowplay

The Mount Hotham snow play and toboggan area located at Wire Plain, continues to provide a popular attraction for first time guests to the Resort. The site is protected from extreme weather conditions, and provides a safe natural area for guests to enjoy the snow for the first time.

Whilst the snow play area at wire plain faces some challenges when it comes to early natural snowfalls Little Higgi Park located in the

Davenport Village again provide a safe alternative in both the early and latter part of the winter. This area was further enhanced by snow making to assist in the preparation of the toboggan slope and the wire plane snow play operators having the flexibility to relocate some services until there was sufficient snow cover at wire plain.

Little Higgi park includes a trail head info shelter, fire pit and picnic tables all adding to the facilities provided within the resort.

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### **Cross Country Skiing**

The complimentary cross country trail network provided by The Board consists of several cross country exclusive trails, catering to both beginners and the more advanced. This includes the iconic Brabralung Trail and several shared multi-use trails which cater to a multitude of uses, including snow shoeing, fat bikes and guided snow mobile and dog sled tours.

The lack of snowfall in the early part of season resulted in delays to the grooming of the cross

country trail network. When the conditions finally allowed, The Board's groomers used a number of methods, including snow farming and harvesting, to ensure the trail network maintained maximum coverage for as long as possible.

Mount Hotham's cross-country trail network played host to several events again this year including the Hotham to Dinner Plain Pub to Pub race which was supported by 115 entrants, and both the Victorian and Australian biathlon championships attracting some 90 registrations for the weekend. These events boasted strong fields of competitors including international participants and the Australian Defence force.

The Board again worked closely with the Australian Biathlon Association (ABA) to support a planning permit application for extension of the range and an all season track. The permit was

received and works for the range extension were completed in time for the 2017 winter season. These works now allow for international standard events and have taken the range from 12 lanes to 15. Preliminary works have commenced on an all season track and will be completed in the 2018 year.

The ABA and Mount Hotham Biathlon range again played host to international coach Luca Bormolini who was based at Mount Hotham, and worked closely with the Australian Biathlon team.

The weekend of the Australian biathlon Championships for 2017 was also attended by Ms Danielle Green MP, Parlimentary Secretary for Tourism, Major Events and Regional Victoria. Ms Green whilst in attendance had the honour of officially opening the newly named Hotham Biathlon Arena, Starting Races and presenting medals.

## Our Customer and Community Focus Transit Operations

The topographical layout of the Resort requires the provision of an efficient and effective transport and car parking service Which is fully vested within the resort entry charge for each vehicle entering the resort. The Resort transport and parking service is provided between the hours of 6.45am and 2.00am (3.00am Friday, for late Friday night arrivals). The service is provided for both day and overnight guests, with peak loads being influenced by several things including lift opening times, Friday night arrivals and increased weekend visitation. The bus transport network extends from Hotham Central to Whiskey Flat, with parking services which extend to Loch Carpark.

On occasions and at Ski Patrol's request, transport was provided from Loch Carpark to the village precinct, additionally there were a number of occasions that transport was provided between the village precinct and Loch Carpark for ski area access during wind hold on lift inactivity.

The Board continues to work closely with Disabled Wintersport Australia (DWA) and assist with complimentary transportation of mobility impaired guests within the Resort.

The transit operations team comprises more than 20 seasonal employees, of which are both returning and new seasonal employees. Our staff bring a wide range of experience from varied backgrounds. All staff are inducted in-house and require, as a minimum, to hold; a Medium Rigid (MR) licence, Victorian Taxi Directorate Drivers Accreditation, and Hazardous Area Authority. There were new and returning employees who completed the Hazardous Area Bus Driving Course at the commencement of the 2017 winter season, with further in-house training being conducted prior to the commencement of the season. Guest service and vehicle accountability staff worked closely with transit operations staff, to provide additional guest information and ensure compliance with the Resort's permit and parking regulations.

The smooth delivery of guest services and village transport, over record visitation days, during the 2017 winter season, is testament to

the hardworking staff and the services provided by The Board. There were no major incidents or breakdowns reported over the season which reflects the skill of the drivers, management systems and the high level of maintenance provided by the work shop mechanics.

The Board's bus service became accredited under the Bus Safety Act 2009 on 30 December 2015, this accreditation as required by the Bus Safety Act 2009 and remains current.

Two more bus shelters were installed prior to winter 2017 taking the total number of shelters within the resort to four, these were installed at the staff car park and Whitey's car park. These shelters are a significant improvement in infrastructure and support the transport service by providing lighting and a level of environmental protection.

2017 saw the release of an Expression of Interest (EOI) for the resort transport services. Three submissions were received as a result and a further invitation to Tender was issued to the three EOI respondents. Detailed Tender responses were received at the end of 2017, and awarded to Alpine Spirit Pty Ltd.



### **Our Services**

We will provide deliver quality and reliable utility services at a low sustainable cost, whilst ensuring a positive visitor experience. Our infrastructure will support the Resort's strategic direction of an incremental build-out of commercial space.

### Potable Water

The source of the village water supply is the upper reaches of Swindlers Creek. This new inlet catchment area of 177 hectares, has a number of small spring-fed tributaries flowing into a water weir at the foot of Snake Gully and Slalom Gully snow runs. Raw water flows under gravity from the weir to the water pump station at Pump House Drop. It is then pumped up a rising main 300 metres to the storage tanks on the summit of Mt

Higginbotham. The stored water then flows to one of two ultra violet (UV) facilities for disinfection, immediately prior to distribution for consumer use.

To ensure the supply of safe and high quality drinking water for consumers, weekly drinking water samples are collected and tested for E. coli and turbidity.

Samples are taken at two points: immediately after UV treatment and at two designated consumer tap points throughout the Resort.

Monthly sampling is also taken from the raw water weir prior to UV treatment. No E. coli was detected

in any samples collected during the reporting period, achieving 100 per cent compliance with the drinking water quality standards. Regular maintenance and implementation of risk management plans has seen the resort achieve 100 percent compliance with drinking water standards for the previous five years and this was highlighted as an achievement by the Department of Health in 2017. A copy of the 2016-2017 Drinking Water Annual Report can be found on the website at www.mthotham.com.au.

The Board holds an annual diversion licence with Goulburn Murray Water (GMW) for the extraction of water from Swindlers Creek. A burst customer service line located near Royal Children's Hospital Ski Club was rectified quickly by the Board staff during the cold winter period.

## Our Services Waste Water

Further upgrades in 2017, saw improvements in the overall plant performance and efficiency of the Mount Hotham Wastewater Treatment Plant (WWTP), with a focus on occupational health and safety (OH&S).

Production of Class A recycled water from the ultrafiltration (UF) plant for snowmaking ran well for most of the ski season with exceptional Class C water quality from the sewage plant. Overall Class A recycled water production this season was one of the best in recent years. The environmental stream monitoring program on Swindlers Creek to ascertain environmental impacts from the UF plant recycled water over time is continuing.

An OH&S upgrade program has commenced in the UF plant in the chemical bunded areas to improve chemical handling and operator safety in all areas. This includes installation of protective cabinets with clear screens over all the pumps to enable safe inspection while minimising exposure to chemicals and installation of doors to make bulk chemical transfer safer and easier.

The old Zener drive from blower #2 will be replaced with a new ABB drive this summer as part of the continuing blower drive replacement program. The new ABB drives have spare parts and maintenance backup and can be integrated fully into the SCADA operating system that runs the Mount Hotham WWTP, whereas the old Zener drives are now at end of life.

During the annual maintenance program, all the aeration tanks, the digester and the gravity thickener were cleaned and inspected. The aeration upgrade in Tanks 4 and 5 and the digester is expected to be completed this summer with replacement of all diffusers in the tanks, bringing them in line with Tanks 1 and 2, and improving overall aeration efficiency.

The key objectives of the Mount Hotham WWTP are to continue to work towards improving overall operational efficiency, improved Class A recycled water production and biosolids reuse, in compliance with our EPA license and Department of Health and Human Services obligations. Our main challenge for the coming year is to increase the amount of recycled water sent up to Loch Dam and, therefore, decrease the discharge to environment as much as possible."

### Our Services Solid Waste Management

The Board is responsible for the collection, management and disposal of waste and recycling products generated within the Resort boundaries. The following ongoing initiatives form waste and recycling management within the resort:

- Provision of a three bag collection system

   (a twist on the traditional council three bin kerbside collection system). Black bags for general waste to landfill, clear bags for cardboard and co-mingled recyclables and an opaque compostable bag for food waste and organic materials for recycling.
- Provision of bags by MHARMB to the resort community
- Collection across 50 designated hutch locations across the resort.
- Provision for public place waste and recycling supported by infrastructure and regular collection services and litter reduction program.
- Management of the Cobungra depot site.
- Management and disposal of recyclable materials.

- Hard waste collection service on designated days to the village.
- MHARMB staff representation and participation on the North East Waste and Resource Recovery Group (NEWRRG) Forum and Technical Advisory Sub-committee.
- Education campaigns targeted at transitioning annual staff and visitors with a focus on "away from home" behaviours.

### **Gas Operations**

LPG is a clean, efficient and cost effective energy source. MHARMB owns, operates and maintains the LPG system at Mount Hotham. As a provider of gas, we are required to meet certain obligations under the Gas Safety Act 1997, and other associated regulations. Energy Safe Victoria (ESV) acts as the regulator and conducts regular audits of the L.P.S system, and also requires MHARMB to develop, implement and regularly update a gas safety case as the central mechanism, so as to comply with the Act.

During the reporting period, MHARMB undertook all mandatory recurrent maintenance procedures and testing as required under the Gas Safety Act

1997. This included the annual cathodic protection testing and reticulation system leakage survey.

Maintenance and upgrades by MHARMB gas operations included:

- Continuation of the on-going consumer meter installation program;
- Administrative works which included the updating of maintenance checklists and gas delivery log books;
- Revised gas system emergency management manuals; and

Continuations of alterations to sections of the gas reticulation system to ensure compliance to the ESV reporting.

Throughout the reporting period, there were no reportable gas incidents.

MHARMB received 684.67 tonnes of LPG to service customers across the Resort under contract with Origin Energy, for the 2017 year.

### **Our Services**

| Reporting Period     | Cardboard    | Co-Mingled   | Organics     | Waste To Landfill | Total Collected<br>Material |
|----------------------|--------------|--------------|--------------|-------------------|-----------------------------|
| NOV 2013 TO OCT 2014 | 32,920 (9%)  | 68,234 (19%) | 29,620 (8%)  | 223,890 (63%)     | 354,664                     |
| NOV 2014 TO OCT 2015 | 37,100 (11%) | 78,885 (24%) | 38,360 (11%) | 180,905 (54%)     | 335,250                     |
| NOV 2015 TO DEC 2016 | 36,000 (10%) | 86,970 (25%) | 18,806 (5%)  | 205,640 (59%)     | 347,416                     |
| JAN 2017 TO DEC 2017 | 35,280 (10%) | 93,276 (27%) | 50,000 (15%) | 165,870 (48%)     | 344,426                     |

#### Organic Production, Waste & Consumption

There has been a reduction hard waster to landfill over the past year due to an increased effort in recycling education, particularly in relation to organic recycling. The Board maintained its partnership with the North-East Waste Resource Recovery Group to ensure sustainable waste management solutions and to continue to engage in waste education programs. The focus by The Board on organic recycling has resulted in an increase to the volume of organics collected at the end of the Environmental Management Plan target period compared to that which was occurring prior to 2015. The large amounts of organics collected has positive environmental impacts through a reduction to the amount of methane that would have been produced if the waste had been put into landfill and has created a usable product for reuse as a soil enhancer. These achievements are detailed in the solid waste section of this report. Our target of increasing energy efficiency within the The Board Administration building, became outdated due the building being destined as a site for future development.

The Board continues to annually monitor and calculate greenhouse gas emissions based on DELWP GHG reporting templates and collation of existing data including electricity, diesel and unleaded fuel as well as LPGas consumption from operations.

#### Atmosphere-Climate Variability & Emissions

The Board is dedicated to preserving the high level of air quality within the resort and reducing greenhouse emissions. There were no complaints received for excessive odours from any The Board operated facility during the reporting period.

Efforts are continuing to enable the The Board to fulfil the target of certifying operations as carbon neutral against the Australian Government's National Carbon Offset Standard (NCOS) within the next Environmental Management Plan.

#### Land Management

In the Summer of 2017, revegetation work was completed along Swindlers Valley following the post construction of the new pipeline and inlet. At this site, staff trialled using dense layers of locally sourced aged Snow gum woodchips as a mulch over locally sourced soil. The area will be monitored to see the success rate of using this mulching method for future revegetation projects. The important bog area at the Wire Plain Offset site was revegetated at the beginning of the reporting period following efforts to remove weeds and will be revisited for further weed control. Advanced plants, grown at the Victorian Alps Nursery, that are iconic of Mount Hotham Alpine Resort were planted at numerous trail heads and picnic shelters around the resort, along with the Hotham entry sign. Scheduled revegetation works for the 2018 summer will meet the target to increase vegetative cover on Slalom Gully batter to 25 per cent coverage.

Planting of advanced shrubs by the Environmental and Track and Trails Crews at Davenport Village Trailhead Shelter.

The Board successfully met the target of ensuring that all new development applications adequately addressed the requirements of the Erosion Management Overlay. Preparations have begun to reduce the land stability risk rating at the Fountains/Arlberg/GAR wall slope. This includes completion of a project scope and funding submission that has been submitted to DELWP for consideration. Capital works undertaken to improve amenity, stormwater and sealing around Hull Skier Bridge contributed to attempts to reach

the target to reduce the gravel verge within the resort. Other Land Management Actions relevant to native plant species for revegetation works are detailed under Victorian Alps Nursery.

#### Water – Rivers & Catchments

Mount Hotham Waste Water Treatment Plant continues to improve environmental outcomes by recycling water for snowmaking and firefighting purposes stored at Loch Dam. In 2017, Class A recovery rates improved above the previous two years, heading towards the EMP target of 50 per cent of total waste water discharge rate. MHARMB achieved 98 per cent compliance with EPA licence conditions during the reporting period. This was short of the target of 100 per cent compliance due to Mount Hotham Alpine Resort receiving a high intensity storm event that resulted in high amounts of rainfall infiltrating the reticulation system reducing plant efficiency. MHARMB followed the standard operating procedure for such events, which ensures stormflows can pass through the system whilst retaining solids to result in a minimal environmental impact.

#### **Weed Control**

Following the large effort to treat the occurrence of willows (Salix cineria) along Golden Point in previous years, efforts at the end of 2017 focused on the water courses along the Village and Blue Ribbon ski lift slopes. Despite efforts to control weeds cover of Sweet Vernal Grass and Soft Rush within the subalpine wet heathland zone there has been no significant change in the reduction of cover within monitoring quadrants. This may be due to weed control and planting efforts being targeted more along the roadside edge. MHARMB will continue to monitor this offset site and carry out prescribed management actions to reduce the further spread of weeds.

### **Our Services**

### **Asset Management**

The provision of compliant and well-maintained infrastructure and equipment is a critical success factor for the Resort, particularly given the Resort's remote geographic and climatic profile.

The key objectives of our capital works programs are to augment infrastructure to meet development demand, maintain reliable and fit for purpose assets, provide enhancement to village aesthetics, guest services and increase operational capacity through improvement to long term infrastructure and development.

As much of the Board's infrastructure is underground we have also been conscious of providing a sense of progress for stakeholders, through balanced provision of visible community facilities and aesthetic improvement across the Resort.

Significantly the Board is responsible for key utility services and infrastructure including potable water, sewerage, gas and storm water systems.

These utility systems have been installed over the past 45 years to often variable standards. In the past 15 years much work has been undertaken on locating, identifying, undertaking inspections and recording these key infrastructure elements.

The key objective of the asset management process is to use all available information to allow the Board and its staff to make informed risk assessments and decisions against 3 key criteria:

- Compliance with relevant Acts, Regulations and Australian Standards.
- Fit for purpose;
- Capacity to meet current and future demand;

Flowing from these assessments, any issues that are identified, are flagged and the urgency of action is determined. This information is then tabled at the Board meetings with recommendations for urgent maintenance, remedial or programmed Capital Works.

The Board has a rolling capital expenditure program that covers a minimum three-year period. This is updated annually to determine priority works for the next financial year.

To assist in the prioritization of capital expenditure the Board has carried out significant work on its 20-year asset maintenance projection and schedule.

The Board has reviewed the sustainability of its transport assets and services and have completed a public Bus Services tender process and awarded the contract to Alpine Spirit Pty Ltd.

### Our Services Geotechnical Program

In addition to the Board's Capex program, we also undertake to manage land stability risks across the resort. Since 1998, the Mount Hotham Alpine Resort Management Board (MHARMB) has been working cooperatively with the Department of Environment, Land, Water and Planning (DELWP) to manage land stability risks across the Resort. The main objective of the Alpine Risk Mitigation program is to mitigate the hazards originally identified through the land stability survey conducted by Snowy Mountain Engineering Corporation (SMEC) in 1997 and address emergency geotech issues.

The MHARMB has conducted an ongoing, systematic, geotechnical works program, based on a prioritized list of confirmed sites with High and Very High risks. Also, the MHRMB has identified additional sites with land stability risks which have been addressed. During this period, major works projects across the resort have reduced many risks to an acceptable level.

For the most recent funding round, 2017 – 18, the MHARMB submitted two priority projects for consideration:

- relocation of an old water main located in an un-engineered fill road embankment above University Ski Club, and
- an unsupported road cut above the Great Alpine Road and associated deteriorated timber sleeper retaining wall below Fountains/Arlberg accommodation.

A \$165,000 budget for works to relocate the water main at University Ski Club was approved by DELWP and the works will be completed during 2018 construction season.

Short term remedial works have historically been completed to address the "very high" geotechnical risk to the unsupported Great Alpine Road cut and "high" risk at the Arlberg (Coffeys, M4246/1-AL) including installation of temporary drainage to direct surface runoff away from the unsupported road cut, removal of loose rocks and boulders from the cut and removal of large snow gums from the top of the cut. A recent inspection of the structure has revealed that the timber retaining sleepers, which are estimated to be 50 years old, have reached the end of their useful

life. This is evidenced by significant deterioration of many of the sleepers, some of which have completely rotted and are unable to perform as structural members.

MHARMB proposed to stage works to reduce the geotechnical risks at these sites over three years:

- Year 1 preliminary's including relocation of sewer and stormwater and seek tenders for supply of precast panels and other associated components,
- Year 2, construct reverse cantilever retaining wall, unsupported cut in front of Fountains and Arlberg, and
- Year 3, construct reverse cantilever retaining wall, to replace tiered sleeper retaining wall in front of Arlberg Lodge and complete other associated works including landscaping and other minor works.

A total estimated project budget of \$1.1 – \$1.3 million dollars, however the MHARMB will be able to confirm this through a public tender process.

### Our Services Capital Works

Each year, MHARMB adopts a capital works program which is a prioritised 3-year program. The value of the annual program depends on available surplus, the previous financial year's depreciation and availability of external grant funding; as from time to time MHARMB secures third party funds for specific projects.

Seven key drivers guide decision making for priority projects:

- 1. asset replacement
- 2. infrastructure maintenance and development
- 3. opportunistic
- 4. regulatory
- 5. village aesthetics
- 6. geotech/land stability
- 7. risk management

The 2017, capital works program included:

- upgrades to the resort entry camera online systems at Buckland Gap and Mother Johnsons and an enhancement to the software matching technology
- construction of parking space and rock walls adjacent to the Resort entry at Hull Skier Bridge, which provides 30 additional spaces for peak day parking periods.
- completion of relocation and renewal of the deep sewers adjacent to the Coral Carpark and installation of stormwater drainage in this location. To enable this work to be completed efficiently we used laser guided boring equipment to minimised disturbance footprints associated with the installation of new storm water drainage and deep sewers under the Great Alpine Road and Corral Car Park.
- continued works on the operations centre mezzanine at Slatey Shed will be finalised in 2018 completing the depo.
- three additional bus shelters were installed at Whisky Flat, Whiteys Car Park entrance and The General Store.

- planning and preliminaries at Loch Carpark for permits and design for a new carpark and trail head for the Falls to Hotham walk.
- tracks and trails upgrades including picnic tables, signage and trail heads continued as part of improvements to visitor experiences, and
- asset replacements and upgrades included installation of a new report writing software, MagiQ, which provides for more effective management reporting. Upgrade of the resorts fleet consisted of 4 new snow mobiles, Mini Hydraulic Excavator and a new slasher, medical centre assets and future provision for an upgrade of the Xray machine.

### 2017 Capital Works Program

|  | Funding<br>Received | 2016 Expenditure WIP carrried forward | 2017 Capitalised<br>Expenditure | Works in Progress at<br>31 December 2017 |
|--|---------------------|---------------------------------------|---------------------------------|--|
| Asset Replacements                           |                     |                                       |                                 |  |
| Resort Entry Camera Upgrade                  | \$0.00              | \$87,458                              | \$304,591                       | \$0.00                                   |
| Report Writing Software                      | \$0.00              | \$0.00                                | \$52,110                        | \$0.00                                   |
| Fleet Replacement                            | \$0.00              | \$0.00                                | \$76,087                        | \$0.00                                   |
| Tracks & Trails Plant replacements           | \$0.00              | \$43,640                              | \$51,540                        | \$0.00                                   |
| IT upgrade for cloud services                | \$0.00              | \$0.00                                | \$10,351                        | \$10,351                                 |
| Radio System - New antennas on Telstra tower | \$0.00              | \$0.00                                | \$9,582                         | \$0.00                                   |
| Medical Centre Assets                        | \$0.00              | \$0.00                                | \$30,000                        | \$28,000                                 |
| Minor items                                  | \$0.00              | \$4,425                               | \$28,194                        | \$0.00                                   |
| Sub Total Asset Replacements                 |                     | \$135,523                             | \$562,455                       | \$38,351                                 |
| Strategic Initiatives                        |                     |                                       |                                 |  |
| Tracks and Trails upgrades                   | \$0.00              | \$6,696                               | \$32,539                        | \$0.00                                   |
| Growing Mount Hotham Project                 | \$0.00              | \$25,610                              | (\$36,488)                      | \$0.00                                   |
| Street Name Numbering System                 | \$0.00              | \$10,878                              | (\$10,878)                      | \$0.00                                   |
| Sub Total Strategic Initiatives              | \$0.00              | \$43,184                              | (\$14,827)                      | \$0.00                                   |
| Infrastructure                               |                     |                                       |                                 |  |
| GAR - Verge Sealing                          | \$0.00              | \$14,979                              | \$79,387                        | \$0.00                                   |
| Bus Shelter installations                    | \$0.00              | \$21,107                              | \$50,595                        | \$0.00                                   |
| Loch Carpark Upgrade                         | \$0.00              | \$47,897                              | \$85,375                        | \$85,375                                 |
| Operations Centre Mezzanine                  | \$0.00              | \$61,673                              | \$136,275                       | \$0.00                                   |
| Hotham Central Relocation of deep services   | \$0.00              | \$42,636                              | \$509,129                       | \$0.00                                   |
| Rock wall from Skier Tunnel                  | \$0.00              | \$52,323                              | \$177,752                       | \$0.00                                   |
| Street Lighting: Skier Tunnel to Zirkys      | \$0.00              | \$1,183                               | \$5,173                         | \$5,173                                  |
| Sub Total Infrastructure Developments        | \$0.00              | \$241,798                             | \$1,043,686                     | \$90,548                                 |
| Geo-Technical                                |                     |                                       |                                 |  |
| GAR Batter Works Fountains                   | (\$50,000)          | \$0.00                                | \$29,640                        | \$29,640                                 |
| GAR watermain Blue Ribbon                    | (\$165,000)         | \$0.00                                | \$37,578                        | \$37,578                                 |
| Total Geo-Technical Expenditure              | (\$215,000)         | \$0.00                                | \$67,218                        | \$67,218                                 |
| Total Capital Expenditure for 2017           | (\$215,000)         | \$420,505                             | \$1,658,532                     | \$196,117                                |

### 2018 Capital Work Prepayments Program

|  | Funding<br>Received | 2016 Expenditure<br>WIP carrried forward | 2017 Capitalised<br>Expenditure | Works in Progress at 31 December 2017 |
|--|---------------------|--|---------------------------------|---------------------------------------|
| 2018 Gas Valve access shafts - risk management   | \$0.00              | \$0.00                                   | \$1,052                         | \$1,052                               |
| 2018 Rising Main Sun Run Valve Pit               | \$0.00              | \$0.00                                   | \$4,313                         | \$4,313                               |
| 2018 UF plant ACID dosing                        | \$0.00              | \$0.00                                   | \$473                           | \$473                                 |
| Operations Mezzanine Slatey Shed 2018 completion | \$0.00              | \$0.00                                   | \$11,903                        | \$11,903                              |
| Sewer relocation Lot 17 Freehold site            | (\$37,000)          | \$0.00                                   | \$14,392                        | \$14,392                              |
| Burramys Bio Link                                | (\$181,805)         | \$0.00                                   | \$7,841                         | \$7,841                               |
|  | (\$218,805)         | \$0.00                                   | \$39,974                        | \$39,974                              |
| Total Capital Expenditure                        | (\$433,805)         | \$420,505                                | \$1,698,506                     | \$236,091                             |

### Our Services Fleet Maintenance

The Board's workshop mechanics maintain a large fleet of vehicles, plant and equipment in full readiness for Summer and Winter activities.

The bus fleet during the winter season performed exceptionally well with no major breakdowns, and all were still in service by the end of the season. This was impressive given the level of snow the resort received, being one of the largest snow years Mount Hotham had seen for some time, with difficult driving conditions and extremely cold temperatures. With weekly safety checks, preventative maintenance, and effective servicing increased reliability to provide a good service to our guests during the busy winter season.

Every year, as part of our bus Accreditation, an external audit is conducted on the buses. The bus inspectors were impressed with the

excellent condition that the buses presented to them, with no visual defects found. This shows that the considerable effort and hard work during summer to refurbish the buses is effective in ensuring we deliver a good service during the busy winter period.

Last year saw the garbage truck undertake a major refurbishment in Melbourne, as a result it operated well through the summer and winter season and ensured we have many years of service left.

Two new oversnow vehicles were purchased this year, including an Arctic Cat Groomer Special and a Bombardier Expedition LE 900 for Ski Patrol. The Groomer Special worked very well, being utilized on the Cross-Country tracks when there was not enough snow to operate the larger Kassbohrer groomers until sufficient snow falls permit. The new Ski Patrol machine worked reliably through the season.

The other larger Oversnow vehicles were utilized well over the busy ski season, with all

of the Kassbohrer being used to assist with moving snow from carparks, around lodges and Cross-Country trails. Also, the Toboggan area on the site of the tennis court in Davenport village (opened with use of Snowmaking) was groomed and farmed with several Kassbohrers providing an alternative snow play area earlier on in the season before larger snow falls allowed for the operation of the Wire Plain snow play area. Special thanks should go to the various The Board staff that assisted with the snowmaking and grooming in Davenport which allowed for this great snow play area to operate.

Our organisation also gained a new Mercedes Benz Sprinter Ambulance, with assistance from the Volunteer Ski Patrol Association and a State Government grant. This replaced our aging Ford F150 Ambulance. The new ambulance performed well and is a welcome addition to our Fleet at Mt Hotham.

### **Our Developer Services**

Mount Hotham has significant recreational attributes afforded by its unique location and environment. It also has substantial future development opportunities, including available land for ski area expansion, opportunity for enhanced and augmented snowmaking capabilities and potential to further develop winter and summer amenities. MHARMB's approach to sustainable growth and development of the resort is founded on the vision "to share an amazing alpine experience" and a strategy that will:

 Maintain and build upon its functional role as a preeminent winter tourist destination through the provision of a diversity of winter activities and experiences;

- Focus on expanding opportunities for summer/non-winter season activities and experiences in a sustainable way;
- Encourage new commercial development opportunities, which builds upon substantial asset investment;
- Facilitate a new 'village heart' at Mount Hotham Village to accommodate new commercial, leisure and recreational hub for the Resort:
- Ensure Davenport Village, Wire Plain and Whiskey Flat precincts perform supporting

- roles, based on expectations of resort users and visitors; and
- Ensure visitors are seamlessly directed to their intended destination to reduce travel time, thereby increasing their recreational enjoyment of the Resort.

### Our Developer Services Master Plan

Hansen Partnership was engaged to develop the Master Plan for Mt Hotham in January 2015 and has been endorsed on by the Minister for Energy, **Environment and Climate** Change for final sign off by the Minister for Planning. The aim of the plan is to ensure future development of Mt Hotham proceeds within the context of a clearly documented and strategically supported policy framework. Once signed off by the Minister for Planning, the Mount Hotham Master Plan

will provide certainty for stakeholders and investors and confidence for Government that Mt Hotham's functional role and future opportunities are appropriately managed and coordinated.

The Master Plan for Mt Hotham Resort has driven the Growing Mount Hotham Project, a package of works that will drive the ongoing evolution of Mt Hotham as one of Victoria's premier Alpine Resorts. This includes a continued winter season focus as well as economically sustainable, year-round activity.

The Master Plan has been completed and will be incorporated in to the Alpine Resorts Planning Scheme as a part of the Board's proposed C28

Planning Scheme Amendment, which will also realign the Municipal Strategic Statement and Comprehensive Development Plans to align with the new Master Plan Vision and the Growing Mount Hotham Project.

The Master Plan identifies the medium to long term vision for Mt Hotham. It does not not seek to nominate fixed or mandatory outcomes, rather provide a flexible 'road map' to guide future development initiatives.

As prescribed by the Alpine Resorts Strategic Plan 2012, other elements of the Master Plan contain further information dealing with:

- Infrastructure Plan
- Native Vegetation Provisions
- Fire and Emergency Management Plan





### Sustainable Growth Plan

In 2017, the Board continued to update its Sustainable Growth Plan, which aims to identify a common vision, direction and purpose for capital works and development activities, centred around the aim: The Sustainable Growth Plan update outlines the parameters, timelines and process required to implement the Master Plan, and has driven the ongoing Growing Mount Hotham Project, along with marketing our brand and property development projects. Crucially, the plan emphasises the importance of co-creation with stakeholders.

### "To share an amazing Alpine Experience"

### Our Developer Services Growing Mount Hotham

Significant progress has been made on the delivery of the Growing Mount Hotham Project (GMHP), with the Loch Car Park and Road Design measures shovel-ready. The GMHP is a package of works initially intended to be delivered by The Board with State Government support.

The GMHP will, if delivered, guarantee the ongoing sustainability of the Mount Hotham Alpine Resort by establishing strong links to planned tourism assets such as the Falls-Hotham Alpine Crossing and summer activities at Mount

Hotham. The public works components also aim to address recognised safety concerns in Hotham Village by introducing traffic calming measures and establishing a shared pedestrian zone. At this stage, these components of the GMHP have been deferred while funding is confirmed.

The Board has made significant forward progress toward arranging development of the Corral area and 28 Great Alpine Road sites, where an Expressions of Interest campaign (EOI) was undertaken across 2016 and 2017; this has resulted in the appointment of a preferred Developer. The Board is in ongoing discussion around the form and scale of a proposed mixed-use development, which is envisaged to facilitate health and wellness uses along with a growth in summer activities.

The Board believe that the GMHP is vital to developing resilience to climate change in a manner consistent with the Alpine Resorts Climate Adaption Project.

### **Native Vegetation**

Department of Environment Land Water and Planning review of regulations was completed in December 2017. The review outcomes have been delivered through:

- A planning scheme amendment to implement changes to Victoria's native vegetation removal regulations. Details of Amendment VC138 can be found on Planning Scheme Amendments Online
- A program of ongoing improvements as described in the Review of the native vegetation clearing regulations – outcomes report

The changes to the regulations provide better protection for Victoria's sensitive native vegetation, enhance the operation of the regulations, and increase transparency by:

- better accounting for the environmental value of large scattered trees, endangered vegetation types and sensitive wetlands and coastal areas in decision making making the system fairer, by allowing some site based information to supplement mapped information, and ensuring the information used in the regulations better reflects the vegetation on the ground
- improving monitoring and reporting on the implementation of native vegetation removal and offsets.

The Board continue to work collaboratively with DELWP to finalise arrangements for native vegetation offset sites within the Mount Hotham Alpine Resort. It is expected trading credits for Board offset sites will be available for further development opportunities via the Native Vegetation Credit Register in 2018.

### Our Developer Services Bushfire Management Overlay

There were no significant bush fire events since 2013. The Bushfire Management Overlay (BMO) of the planning scheme is a planning control which aims to implement the State Planning Policy for Bushfire, the objective of which, is to strengthen community resilience to bushfire.

On 12 December 2017, the Minister for Planning introduced Amendment VC140 to update the State Planning Policy Framework to provide strategic direction for managing bushfire risk in planning and decision-making:

Clause 10 of the State Planning Policy Framework (SPPF) now requires that in bushfire affected areas, planning authorities and responsible authorities must prioritise the protection of human life over all other policy considerations.

Clause 13.05 of the SPPF now includes the objective to strengthen the resilience of settlements and communities to bushfire through risk-based planning that prioritises the protection of human life. One of the strategies for achieving this is to not approve any strategic planning document, local planning policy, or planning scheme amendment that will result in the introduction or intensification of development in an area that has, or will on completion have, more than a BAL12.5 rating under Australian Standard AS3959-2009.

The Board has the necessary emergency management arrangements in its Mount Hotham Community Bushfire Emergency Management Plan. This plan gives practical effect to the modified standards of the Schedule to the BMO.

This now means that the modified standards apply where an application to construct a building or carry out works is accompanied by a letter from the CFA stating that, in its view, The Board has implemented satisfactory emergency management arrangements which aim to prioritise the protection of human life. The modified requirements provide that construction of works must be one of the following:

- 1. BAL-40 construction in accordance with AS3959.
- Determined by a fire safety engineer that the building will be capable of withstanding an equivalent level of predicted bushfire attack and levels of exposure. (The definition of fire safety engineer under Building Regulations 2006 means a registered building practitioner in the category of engineer, class of fire safety engineer.)
- Determined using an alternative methodology to the satisfaction of the relevant fire authority.

Buildings must also be provided with defendable space to the satisfaction of the CFA.

Major bushfires rarely commence in the alpine area within the resorts but are subject to embers from lower forest areas. In a practical sense The Board continues to maintain the BEMP and through this applies measures to reduce the Bushfire risk within the resort. These measures include conducting annual inspections of all sites and assisting stakeholders in maintaining sites in a defendable manner. To facilitate this The Board provide two green waste collection weekends, maintain The Board managed land and infrastructure and ensuring compliance with the BMO, MFMP and MEMP.

The Board facilitates training to ensure staff have a basic level training of fire behaviour and how to respond. Further training options are being explored.

### Our Developer Services Leasing

The Alpine Resorts Leasing Policy, including the standardised lease documentation, provides the framework for the leasing of Crown land in Alpine Resorts. The policy which was approved in 2002, accounts for probity, conflict of interest, public interest and competition requirements.

It is based on the principles of demonstrated public and economic benefit, transparent lease allocation and process, appropriate lease terms and conditions, consistent lease documentation and approval processes.

Since the adoption of the Alpine Resorts Leasing Policy,42 new leases have been issued in the Alpine Standard Lease form with an average lease term of 27 years. This represents 50% of the leased or occupied sites within the Resort.

### **Building Services**

The Board has a legislative obligation under s212 of the Building Act 1994 to administer the provisions of the Act, the Building Regulations 2006 and the Building Code of Australia within its area of jurisdiction. During its last reporting period, The Board continued the engagement of the services of Mr. Phillip Davern, to fulfil the role of Municipal Building Surveyor in order to carry out its responsibilities under the legislation.

The inspection program continued the focus on ensuring existing buildings achieve a satisfactory

level of fire and life safety. A priority has also been to provide guidance on the administrative obligations imposed on owners and managers to maintain nominated essential safety measures within their building. During the inspection process, the Fully Enclosed Covered Area (FECA) of all buildings was measured for rating purposes.

A total of 88 premises, including 66 lodges along with buildings containing 127 apartments have been inspected since February 2017, with most of issues identified relating to minor deficiencies

in exit signage, door furniture and smoke alarm/detector coverage.

Building Permits were issued for seven premises (Tantani demolition, Telstra Exchange Corral, Lot 20 Freehold, APEA Ski Club, CSIR, Alpine Haven and Leeton). Enforcement action was instituted in one case.

### Statutory Planning

The Alpine Resorts Planning Scheme sets out the policies and requirements for the use, development and protection of land at Mt Hotham. The Minister for Planning is both the planning authority and responsible authority for the scheme, which is administered on his behalf by the Department of Planning and Community Development (DPCD). The Board has referral authority powers in relation to servicing and land stability and it can also provide comments on planning applications more generally as the land manager.

There were thirteen amendments to the Alpine Resorts Planning Scheme since November 2016. Changes to the Planning Scheme this year have all been bought about by broader amendments that affect all planning schemes by introducing new pathways for applications and reviewing the State Planning Policy Framework. The changes are outlined in the table at the top of page 43.

### Statutory Planning (Continued)

| Amendment Number | Date        | Brief Description  |
|------------------|-------------|--|
| VC141            | 21 Nov 17   | The Amendment affects all planning schemes by amending clauses relating to wind energy facilities and mobile telecommunications facilities   |
| VC140            | 12 Dec 17   | The Amendment changes the VPP and all planning schemes in Victoria by: Inserting an updated State Planning Policy Framework at Clause 10 Operation of the State Planning Policy Framework; and Inserting an updated State Planning Policy Framework at Clause 13 Environmental Risks.  |
| VC139            | 29 Aug 17   | Introduces new planning requirements for racing dog facilities and inserts new reference documents for urban design guidelines and apartment design guidelines   |
| VC138            | 12 Dec 17   | This amendment introduces a native vegetation management framework   |
| VC137            | 27 Jul 17   | The amendment introduces additional classes of application into the VicSmart provisions for residential zones.   |
| VC136            | 13 Apr 17   | Better Apartments Design Standards - Amendment VC136 introduces state-wide planning requirements for apartment developments.   |
| VC135            | 27 Mar 17   | The amendment introduces additional classes of application into the VicSmart provisions, and increases the 'cost of development' threshold of some existing VicSmart buildings and works classes of application.   |
| VC134            | 31 Mar 2017 | The Amendment changes the Victoria Planning Provisions and all planning schemes in Victoria by introducing the new Metropolitan Planning Strategy and making corresponding updates to the State Planning Policy Framework. It also restructures Clause 11, includes policy-neutral updates and administrative changes and introduces new and updated incorporated and reference documents. |
| VC133            | 25 May 17   | The Amendment corrects inconsistencies and improves the structure of planning schemes to enable their migration into the Planning Scheme Information Management System (PSIMS) to improve access to, and more efficient amendment of, the planning schemes in Victoria.  |
| VC132            | 19 Sep 17   | Amendment VC132 is a general amendment that makes a number of administrative corrections and other changes to the Victoria Planning Provisions (VPP) and all planning schemes in Victoria.   |
| VC131            | 23 Nov 2016 | The amendment changes the Victoria Planning Provisions and all planning schemes by amending Clause 52.19 - Telecommunications facility, to exempt a permit application for a telecommunications facility funded (or partly funded) under the Commonwealth Government's Mobile Black Spot Programme from the notice and review requirements of the Planning and Environment Act 1987.       |
| VC110            | 27 Mar 2017 | Implements the government's response to the recommendations of the Managing Residential Development Advisory Committee by amending Clause 72 to introduce a new general term, "garden area" and amending the Neighbourhood Residential Zone, General Residential Zone, Residential Growth Zone, Mixed Use Zone and Township Zone.  |
| GC13             | 03 Oct 17   | Updating mapping for the Bushfire<br>Management Overlay  |

### Our Developer Services Enviromental Health Services

MHARMB continues its contract with the Indigo Shire Council to carry out regulatory duties under the Food Act 1984, Public Health and Wellbeing Act 2008, Public Health and Wellbeing Regulations 2009 and Tobacco Act 1987., Public Health and Wellbeing Act 2008, Public Health and Wellbeing Regulations 2009 and Tobacco Act 1987. This service requires full compliance and a high standard of public health within the Resort, with assessments and inspections undertaken on food premises, accommodation facilities, health premises, educational visits to ensure tobacco compliance and the investigation of received complaints. This year the registration and payments were handled by the The Board, with the inspections and issuing of certificates by Indigo Shire Council.

| Mount Hotham Food Premises |               |
|----------------------------|---------------|
| Category 1                 | 1             |
| Category 2                 | 17            |
| Category 3                 | (1-2 pending) |
| Category 4                 | 7             |
| Total                      | 25            |

### **Food Premises**

During the 2017 winter season, 25 food premises were registered with Council falling either into a Class 1, Class 2, Class 3 or Class 4 risk category.

### **Non-registered Food Premises**

One lodge was informed that they require an additional class 3 food registration if they keep on providing food to their guests.

### **Routine Inspections**

All 25 registered food premises were inspected and 2 follow up inspections were conducted for the premises that did not comply. The class 1 food premises were also audited by a third-party auditor per legislative requirements.

Throughout the season, the majority of food premises inspected were found to be satisfactory.

### Complaints

The Board contractor did receive one food related complaint during the season. A food complaint inspection was conducted after the complaint was received. It was decided that this complaint was not valid.

### Environmental Health Services continued

### **Food sampling**

No food samples were taken during this season.

### **Tobacco Act Compliance**

Tobacco education visits were provided to two tobacco retailers, licensed premises and eating establishments. Two retailers were educated on sales to minors, signage and visibility of tobacco products.

In August 2017 the Victorian State Government introduced new legislation with regards to smoking in outdoor food dining areas. Council discussed these changes with the mobile food premises operating within the resort.

The MHARMB made available signage for outdoor dining areas that were affected by the new legislation, along with circulating information packages to venues.

### Prescribed Accommodation Registration Registration

Accommodation facilities accepting guests from the general public are required to be

registered under the Public Health and Wellbeing Act 2008 as prescribed accommodation, if payment is made for a person or persons to be accommodated. For the 2017 season there were a total of 58 accommodation facilities registered. Two additional clubs, which were approached in 2016 have now obtained a registration. Two apartments are now also registered as staff accommodation.

### **Rooming houses**

One rooming house was registered this year. Tantani Lodge was demolished before the start of this season.

### **Non-registered Prescribed Accommodation Premises**

The Board's Contractor for 2017, Indigo Shire Council obtained a legal opinion on prescribed accommodation premises registration. The Board's policy now dictates that members only lodges will require a prescribed accommodation registration. This has not been required in the past.

### Inspections and complaints

In total, 58 accommodation facilities were inspected for overcrowding, maintenance and

cleanliness of facilities, number of fixtures available and refuse collection and disposal.

Throughout the season the majority of accommodation facilities inspected were found to be satisfactory and there was only one premises which required follow-up.

### **Gastro Outbreaks**

No outbreaks were reported this year.

### **Health Premises**

The Public Health and Wellbeing Regulations 2009 control potential infectious diseases that may occur in the above premises. These regulations set out the requirements that proprietors of premises registered under the Public Health & Wellbeing Act 2008 must observe. All premises are required to be maintained in a clean hygienic manner.

Two premises were registered in 2017 (one hairdresser and one Spa). Due to the change of legislation, hairdressers will from now on have an ongoing registration (i.e. no renewal required) and do not require an annual inspection anymore. The other registered premises was inspected and was found to comply.

No complaints were received during the season.

### Our Year Round Resort Guest Services

The Board Guest Service Team enjoyed a busy winter with solid vehicle visitation throughout the snow season. With consistent major snow falls the team had many challenging weather events with high vehicle visitation. Whilst the previous year enjoyed record vehicle numbers on sunny

weekends the 2017 season saw record numbers for spread over weekly visitation.

Further upgrades that had been carried out prior to winter saw increased vehicle spaces being added to the long-term staff carpark. This enabled

better utilisation of the Whisky Flat parks for customer long term/overnight parking. Additional spaces had also been created throughout the resort utilising previously unused areas for day visitors, particularly around the Big D area.

### **Resort Entry**

'Alpine Easy Access' is the Resorts online Resort Entry payment system, and is in its seventh year of deployment. Major upgrades to this system were made in 2017 to update the technology and sophistication of the system

New advances in Licence Plate Recognition (LPR) technologies enabled the removal of the old ticket boxes which housed the common infrastructure from both Buckland Gap and Mother Johnsons Plain as the newly installed cameras and software

are able to cover all traffic lanes sensing the directionality of vehicles entering and exiting the resort. In previous years the obsolete ticket boxes served as road dividers and staging points for traffic control. These unattended ticket boxes were confusing for new visitors as some believed the resort entry fees no longer applied as the boxes are no longer staffed. Traffic management and convoy staging is able to be implemented without the need for these redundant booths.

With the LPR upgrades there are many additional systems that saw implemented upgrades in 2017.

Further efficiencies were able to be gained across the resort entry payment checking. These efficiencies have led to across the resort including Parking Infringement Processing and mobile LPR vehicle esort entry payment checking. These efficiencies have led to a reduction of the staffing hours required for post infringement processing.

### Great Alpine Road (GAR)

The Board's guest services team played an active role in assisting VicRoads in the management of the GAR during the season. Staff members were stationed in chain fitting bays during peak times to welcome guests, provide visitor information, and ensure guests vehicles were ready to travel safely to Mount Hotham.

The Board also contracted the services of a Road Safety Patrol Officer (RSPO) to ensure that guests requiring assistance with breakdowns, accidents and snow chain issues were able to continue on their journey. The RSPO also coordinated vehicle recovery and the transportation of guests to their destination in a timely manner. This proactive

approach ensured guests were prepared and well informed for entering and exiting the resort, whilst successfully minimising road closures due to traffic issues along the GAR.

### Marketing

The Board worked alongside stakeholders and business operators in a collaborative marketing effort to increase the awareness and consideration of Mt Hotham as a destination. To achieve this, The Board continued their work with 10 Feet Tall, who were appointed in 2016 to lead the creation of a brand identity for the alpine village. The resulting concept, The True Spirit of Alpine Australia, was formulated on the basis of market research, competitor analysis and brand workshops with stakeholders.

The True Spirit of Alpine Australia positions Mt Hotham as Australia's real mountain. It distinguishes Mt Hotham as Australia's highest alpine village with the most down to earth people. It embraces the uniqueness of the Australian skiing experience and heroes the characterful locals that deliver an authentic

experience to the mountain's visitors all year round. In order to bring the alpine spirit to life, the concept hands the voice to the mountain, after all, it is the natural wonder of Mt Hotham, and the personality and values of its people, that ensure locals and visitors alike return time and time again.

The associated advertising campaign was launched to market on 12 June 2017, and remained active for 3 months. The campaign was jointly funded by The Board and stakeholders, and reports were provided to the stakeholder Marketing Committee monthly to track campaign performance. The campaign spanned digital and traditional mediums, including a new partnership with Triple M Radio Melbourne. The digital advertising resulted in over 31 million digital impressions and generated

close to 100,000 click throughs to the website. Whilst conversion was difficult to measure, due to guests being directed away from the Mt Hotham website for purchase, the campaign contributed to the increased visitation in Winter 2017, which was above and beyond the Mt Hotham's 10-year average.

The campaign received industry acknowledgements for excellence in tourism marketing. The True Spirit of Alpine Australia was awarded Gold at the 2017 RACV Victorian Tourism Awards in the category of Destination Marketing. On the basis of this achievement, The Board are nominees at the Qantas Australian Tourism Awards in 2018. The Board were also awarded Best Government Agency at the Australasian Leisure Management Communication and Marketing Awards in 2017.

### Regional Marketing

The Board continues to contribute to the wider promotion of the alpine region and Victorian snow industry through involvement with the ARCC, Snow Victoria and Tourism North East.

The Board has fostered, and will continue to work with, neighbouring districts the East Gippsland and Alpine Shire along with the Falls

Creek and Mt Buller Resort Management Boards and their respective lift companies.

### Our Year Round Resort Website

The Board operates the main destination website for Mt Hotham (www.mthotham. com.au), in collaboration with the Mount Hotham Skiing Company and other mountain stakeholders.

In 2017, The Board commissioned a re-skin of the website to align with the True Spirit of Alpine Australia campaign. This work included a new-look homepage and additional content to encourage audience engagement. The associated imagery and video content worked to give the website a distinctive look and feel.

In the reporting period, the website received 1,308,897 visits with a 11.65% bounce rate from the site. This indicates strong user engagement

with the website and well above all industry standards.

| Statistics for the reporting period | 2016      | 2017      |
|-------------------------------------|-----------|-----------|
| Site Visits                         | 1,231,000 | 1,308,897 |
| Page Views                          | 4,283,000 | 4,044,330 |
| Unique Page Views                   | 501,260   | 3,285,288 |
| Bounce Rate                         | NA        | 11.65%    |
| Winter 2017<br>Site Visits          | 920,000   | 993,051   |

The Board also operate a digital explorer website (explore.mthotham.com.au) which helps visitors discover and engage with the activities at Mt Hotham. Another website

facilitated by The Board is the stakeholder website (www.developmthotham.com.au) which communicates information regarding development, property, standard templates for leases, correspondence, building, planning, environment, lease renewal information and building requirements.

In 2017, The Board introduced a new website designed to motivate and to assist guests in planning their holiday at Mt Hotham. The website (truealpinespirit.mthotham.com. au), encourages guests to discover their True Alpine Spirit and combines hero imagery with engaging copywriting to provide consumers with a mini-experience of Mt Hotham before they visit.

### Communications and Publications

The Board has continued its focus on clear and regular communications to stakeholders, the Mt Hotham community, government and industry bodies and the wider public. Largely championed by the Media and Communications Officer, The Board distributed a number of communications including print, digital and verbal publications. These include:

- Websites;
- Media releases;
- Multi-use shared trail guide;
- Multicultural visitor guides in Hindi and simplified Chinese;
- Disabled Winter visitor guide;
- Getting Here visitor guide;
- Monthly Community News;

- Tracks and Trails summer guide;
- Weekly winter 'What's On' flyer;
- Guided bushwalks in summer;
- Weekly Hotham Herald in winter.

In 2017, Mount Hotham received over 400 mentions in the mass media and hosted 5 familiarisation events for media personnel.

### **Events**

The Board supported, promoted and organised a large range of events in conjunction with stakeholders.

### **Summer Events**

The major event of Summer 2016/17 was the Tour de Cure, the largest fundraising cycling event in Australia. The riders started at Mt Hotham, and ended in Hobart, stopping at local primary schools along the way to

educate children about making healthy lifestyle choices to reduce their cancer risk. The Board sponsored the event which received national media coverage through Sunrise. The Board continued with the free guided bushwalks in

summer. Additionally, The Board promoted and supported TNE's 7 Peaks program and Running Wild's Great Alpine Running Festival.

### Winter Events

The Board was involved in ensuring the Winter events calendar provided guests a range of events, especially in shoulder season periods. The Board in conjunction with commercial

operators organised the Deck Party on the 9th September 2017, which provided a platform for on-mountain operators to open their decks in a roving event. Additionally, The Board worked alongside stakeholders to deliver Retro Day, Opening Weekend, the Victorian and Australian Biathlon Championships, the Genny Rail Jam and various music gigs at different venues.

### Hotham 365 - All Season Downhill Gravity Experience

### Hotham 365 – All season downhill gravity experience

Hotham 365 is in its second year and provides an all indoor season downhill gravity experience.

The Hotham 365 facility includes two ski slopes that simulate skiing and snowBoarding and allows participants to develop snow sport skills 365 days of the year in an indoor environment. The facility is perfect for introducing 'first timers' to riding without the additional complexity of having to deal with weather, crowds, obstacles, and chair lifts. First time skiers and Boarders are able to develop basic skills such as snowplough turning and stopping very quickly and progress to actual snow riding with minimal fuss.

Winter 2017 saw a new strategy for the facility based on the learning from its first year of operation. opening hours change from evenings to afternoons as this would better suit day trippers, families and also add a day time activity for bad weather days. Pricing was also restructured to \$15 per person for 30 minutes which included gear and a lesson. The conversion strategy focused on moving snow

play visitors from toboggans to skiing and Boarding. The Guest Services team would greet guests at the snow play park and talk to families that may be interested in trying skiing on the indoor slope as a new alpine experience.

The visitors that engaged were mostly families that were interested in trying skiing but were unsure if their children would enjoy it. By the end of a 30 minute lesson, guests are able to stop and snowplough turn before progressing to an on-snow experience. After the lesson we would discuss their options for going skiing.

This year we had over 150 customers coming from the snow play areas with some customers doing more than one session. Over half of these conversion customers then progressed through to taking up a lift and lesson package with the Lift Company.

The facility continues to be utilised throughout the green season with bookings by appointment for groups and individuals. The facility is being opened on weekends during events and other peak periods.



### Our Year Round Resort Our Strategic Partnerships

Over the past 12 months. MHARMB has continued to build partnerships with on-mountain stakeholders and surrounding communities. The Consultative Forum has continued its communication platform with major stakeholders, Dinner Plain and Alpine Shire to communicate and share knowledge. In addition to the forum, MHARMB also hosted the annual Stakeholder

Briefing, with the invitation now open to all stakeholders on Mount Hotham.

Discussions and agenda items:

- Master Plan update;
- Hotham Central pedestrian safety project;
- · Motor Neuron Disease Fundraiser;
- Tracks and Trails for Mount Hotham, Dinner Plain. Harrietville and Falls Creek;
- Destination Action Plan briefings and workshops with TNE;
- · Airport levy;
- Dinner Plain / Hotham Bus;
- · Capital Ingoings;

- Village Square pop-up;
- Position and branding of Resort;
- · Power generation;
- Tourism and Marketing Strategy;
- Development Growth Plan;
- · Hotham 365; and
- Expressions of Interest

MHARMB has enhanced communications with stakeholders to allow for a more transparent platform and build visitation to Mount Hotham, during both winter season and green seasons.

Mount Hotham Skiing Company (MHSC) and MHARMB continued their partnership with Audi Australia in regard to advertising, signage and promotion within the Resort.

### Walking Tracks & Trails

The shared summer and winter Tracks and Trails network at Mount Hotham continues to enhance the product on offer within the resort. The trail network is continually being improved and is maintained to ensure quality of product, user safety, and is of a recognisably high standard.

### **Trail Marketing**

The free guided bushwalking program now in its sixth year continues to grow in popularity. Boxing Day saw some 40 participants join our guide to take in the sights of Mt Higginbotham. Tours have been conducted over long weekends, offering attendees further historical insight into Mount Hotham's iconic tracks and trails. Continuing under the banner of "Gold, Graves and Perilous Journeys", a diverse range of participants have gleaned an insight into the remarkable history and environmental aspects of the region.

Track Notes and Track and Trails Guides continue to be published and updated with new content, and are made available at Mount Hotham and regional visitor information centres. This is supported by the Digital Tour Guide, showcasing information on a range of activities in the Resort during the summer months.

The Great Alpine Touring Route signage, associated with the chain fitting bays between Harrietville and Hotham, in addition to video content and photo galleries, play an important role in describing the history behind the names of each location. Eight short video clips take visitors back in time to some of Mount Hotham's founding history. The Digital Tour Guide can be found at explore.mthotham.com.au.

The success of the Track and Trail network is highlighted by the increased utilization, this is measured by a number of strategically placed track counters throughout the resort.

Alpine Spirit run a weekend of runs taking in many of the resorts trails including 3.5km, 10km, 21km and 40km events.

### Track & Trail Events

The Mount Hotham Track and Trail network continues to play host to several events each year. This years saw the running of the True Alpine Spirit trail run a weekend of runs taking in many of the resort's trails including 3.5km, 10km, 21km and 40km events.

### Picnic & Trailhead Shelters

To further enhance the growing Tracks and Trails network, supporting infrastructure including picnic and trailhead shelters have been constructed by the The Board tracks and trails crew. All structures use the same materials already in use across the network, including Cypress pine post and rusted steel features. Materials and design, feature well in the alpine environment and are representative of the heritage of the area.

Trail head shelters continue to be installed at strategic locations throughout the trail network, including Little Higgi, Brandy creek and at the commencement of the Brabralung trail. This

infrastructure is supported by track marker posts. Trail head shelters and picnic shelters act as magnet infrastructure drawing people into the trail network.

Picnic shelters have been erected at Mt Higginbotham and Big Spur picnic point. These shelters have become popular amongst both summer and winter visitors being.

The village green now includes interpretive signage as a starting point for access to the trails both in and outside of the village.

### **ESTA & Track Marker Post Numbers**

Track marker posts continue to be placed across the Mount Hotham Tracks and Trails network. There are now 97 posts across the network at all intersections, each post with its own unique identifier number (UIN). This post number is found on all Mount Hotham Tracks and Trails maps and guides to readily identify user position. In conjunction with the track marker post

numbering, ESTA emergency markers have been placed in remoter locations within the Resort. Emergency markers have been registered with the Emergency Services Communications Authority (ESTA), allowing emergency services to immediately and accurately verify the location of a triple zero call.

The track marker posts numbering system and ESTA emergency markers, in conjunction with the Mount Hotham Tracks and Trails maps and trailheads, form the basis of one of the safest and readily navigable Tracks and Trails networks available.

### Short Walks & Hotham Back Tracks

Improvements to the Higgi Drive Surface have commenced and will improve walking and cycling access within the village precinct. Further tracks have been identified and in conjunction with the Strategic fire and fuel breaks plan will be upgraded and maintained. Many of the existing shorter walks and link tracks, within the Resort and the village area, continue to be enhanced, highlighting routes over the Mount Hotham and Mount Higginbotham summits, and around the Davenport Village area.

### Cultural Heritage

Mount Hotham played host to the Australian Alpine Snowsports & History Association's annual general meeting at the end of April 2017. The association is made up of individuals and representatives from historical societies and groups with an interest in alpine Snowsports and alpine history in general. The membership base extends from across Victoria, NSW, Tasmania and south Australia.

The Board facilitated part of the event, with a program that included field trips and activities that happen within and adjacent to the resort. The event was a huge success and well received by all. The Board have a memorandum of understanding with the National Alpine Museum of Australia which is accredited with Museums Australia and has tax gift recipient status.

### Our Environment on the Ridge

"In order to achieve the functions outlined within the Alpine Resorts (management) Act 1997 as well as environmental regulatory compliance, we sought to implement a revised Environmental Management System (EMS) in late 2014.

A Statement of the Environment (SoE) Report was developed outlining existing regulatory

frameworks, using readily available operational data and existing knowledge of environmental values within MHARMB.

Based on information contained within the SoE, we identified six key issues;

- 1. Landfill management;
- 2. Diesel fuel consumption;
- 3. Climate change;

- 4. Greenhouse gas emissions;
- 5. Threatened species management; and
- 6. Cultural heritage values.

An Environmental Management Plan (Plan)was developed and endorsed by the Board. The Plan lists prescribed targets and actions until 2018. We will report annually against the Plan and review the SoE and Plan targets and actions in 2018.

### Sustainability

The unique natural environment at Mount Hotham has high conservation and biodiversity value within the Australian Landscape. In 2015 The Board implemented an Environmental Management Plan (EMP) outlining the goals and actions necessary to achieve the aims of the

Environmental Policy. The EMP broadly classifies the diverse functions of the The Board into five themes of environmental values of: Production, Waste and Consumption, Atmosphere, Land Management, Biodiversity and Threatened Species, and Water. The EMP is due for review

in 2018. Many of the targets outlined in the EMP have been achieved over the three years of implementation, whilst some targets continue as commitments by The Board.

### Biodiversity Conservation and Threatened Species

Work was undertaken as part of the Board's ongoing commitment to weed control, focusing on the removal of willows, apples, blackberries and broom. Extensive efforts were made to remove willows from McColls and along drainage lines within the resort. Staff removed Broom from Mountain Pygmy Possum habitat beneath the Tunnel of Love. Staff searched for and located a patch of established Broom along one of the Heavenly Valley ski-runs, following a description of the location by a member of the public. As part of the target of removing all occurrence of English Broom (Cytisus scoparius) within the resort staff will continue to retreat all recorded sites and investigate any new reported sightings. A large area of established Blackberry, below CSIR Track, was cut to remove the overburden and is scheduled for follow up control during the next reporting period. Staff joined in partnership with the Green Army to target the removal of Ox-eye Daisy and St Johns Wort within the resort. The enthusiastic team spent a week assisting staff and removed a total of 16 bags of weeds.

Planting following the drainage upgrade works along the Corral Stormwater Bench created three new artificial frog habitat ponds to increase the breeding habitat for the Alpine Tree Frog (Litoria verreauxii alpina). This creation of habitat will be incorporated into the adaptive management strategy outlined in the The Board Design Standards for Artificial Waterbodies and staff look forward to monitoring this area for possible frog activity into the future to assess the success of this target. Staff were excited to discover Alpine Tree Frog tadpoles developing in the Loch Dam. Shortly after their discovery a Pied Cormorant was seen leaving the Dam and no tadpoles remained. To assist with protecting this threatened species staff are planning to trial the creation of artificial habitat to protect the tadpoles from predators during the next breeding season. Another highlight for the year included having The Alpine School assist staff with collecting Pimelea seed to send to the Mountain Pygmy Possums at Healesville Sanctuary. Staff assisted the Victorian Alps Nursery with their annual seed collection to be used for future revegetation projects.

Annual monitoring of Mountain Pygmy Possum populations was conducted by Dean Heinze, as part of a cross tenure program. The survey results are used to inform future management decisions in threatened species management planning. Of the five sites surveyed, two sites indicated above average estimated population numbers, whilst the other three sites showed a decline in estimated population numbers. Approval was granted, following the submission to DEWLP of a budget and project plan, for a second "Tunnel of Love" under the Great Alpine Road.

The Board continued its support of the wider cross tenure 1080 baiting program for fox control to reduce the impact of foxes on native wildlife. The Board also continued its commitment to predator control using remote sensing cameras to detect the presence of predators on tracks and trails within the resort. The findings from the remote cameras were used to guide predator management within the resort, with a total of 2 foxes and 10 cats removed from the resort populations during the period.

### Victorian Alps Nursery

The Victorian Alps Nursery propagates a large variety of alpine and sub-alpine species for rehabilitation and restoration projects at all major Victorian ski resorts, Mount Buffalo, Kosciuszko National Park and NSW National Parks. The nursery also continues to supply plants to other alpine resorts and ski lift companies at Mount

Buller, Falls Creek and Perisher. Specialising in the production and propagation of alpine flora makes the nursery unique in Australia. Staff at the nursery can provide assistance to clients, to obtain information on species and advise on rehabilitation projects. There continues to be a steady increase with the amount of orders for plants indigenous to Ovens and Kiewa Valleys and this year, the nursery supplied various community groups. Planting was undertaken in revegetation sites along the Ovens River in Harrietville, Bright and Myrtleford.

### Our Corporate Governance Information and Communication Systems

Information systems provide a vital service for all functions of the Board in operating a modern and efficient Resort. Included in the responsibilities of the Information Technology function are:

- Communication systems including voice, data and internet
- Electronic data storage and backup
- Information system software, hardware maintenance and upgrades
- General system controls
- Data Security
- Mobile systems management.

### **System Downtime**

The business continuity plan enabled all systems to operate with sufficient back-ups, maintenance and service routines to enable a 100% operating capability was achieved throughout the year with no system failures on business-critical systems.

### Emergency Management Plan

The Board's Emergency Management Plan, as required under the Emergency Management Act 1986, continues to meet the needs of the Mount Hotham community.

The Resort Emergency Management Planning Committee (MEMPC) conducts formal meetings twice a year, and assists with the planning coordination of emergency services for both response and recovery within the Resort.

The Committee comprises Board staff, Victoria Police, Victorian State Emergency Service, Country Fire Authority, Department of Health and Human Services, Resort stakeholders and other agencies as required. In conjunction with the Alpine Shire (Dinner Plain EMP) and the Committee of the Mount Hotham Airport EMP, the Mount Hotham Resort EMP Committee have

a Memorandum of Understanding (MOU) for the sharing of resources for both response and recovery during an emergency.

The planning committee formally adopted the terms of reference of the Municipal Fire Management Planning Committed (MFMPC).

The MEMP is continually under review and the committee continue to work through action items as they arise. In addition to the MEMP, Sub plans of the MEMP are reviewed and if required put to the committee for endorsement following amendments or additional plans being added.

The MHARMB's Emergency Management Plan, as required under the Emergency Management Act 1986, continues to meet the needs of the Mount Hotham community.

The Resort Emergency Management Committee (MEMC) conducts formal meetings twice a year, and assists with the planning and coordination of emergency services for both response and recovery within the Resort. The Committee comprises Board staff, Victoria Police, Victorian State Emergency Service, Country Fire Authority,

Department of Health and Human Services, Resort stakeholders and other agencies as required. In conjunction with the Alpine Shire (Dinner Plain EMP) and the Committee of the Mount Hotham Airport EMP, the Mount Hotham Resort EMP Committee have a Memorandum of Understanding (MOU) for the sharing of resources for both response and recovery during an emergency.

### Our Corporate Governance Emergency Management Plan (Continued)

### Municipal Fire Management Plan

Mount Hotham Municipal Fire Management Planning Committee (MFMPC) was formally established in 2011. The Committee

is a subcommittee of the Emergency
Management Planning Committee and the
terms of reference endorsed were based
on those in Part 6A of the Emergency
Management Manual of Victoria. Membership
of the Mount Hotham MFMPC consists of
MHRMB, CFA, DEPI and Parks Victoria.

The Resort's Municipal Fire Management Plan (MFMP) was developed through the risk based planning process described by ISO 3100: 2009 Risk Management – Principles and Guidelines. As a subset of the MFMP, this Community Bushfire Emergency Management Plan (BEMP) draws on the risk assessment and risk analysis process already undertaken through the broader fire management planning process.

### Our Corporate Governance Our Community Areas

### **Access and Diversity Indigenous Affairs**

The Board is committed to working closely with the local Indigenous community in developing partnerships to achieve Aboriginal aspirations for land, culture, heritage, family and community. We liaise with various leaders and councils in both capital works and planning projects within the Resort. There is also an opportunity to explore the development of Indigenous cultural tourism through interpretation of walks and sites. We look forward to working closely with the Mount Hotham Indigenous community on our future projects.

### **Cultural Diversity**

The Board has maintained the signage systems, which use graphic symbols to advise resort users of important features about resort use. This has been particularly appropriate in alerting non-English speaking visitors to the existence of safety hazards and to any limitations on the use of particular areas within the Resort and is in line with the government's multicultural policy. Visitor welfare has been further enhanced with the introduction of Hindi and Mandarin versions of the Mount Hotham Village Guide.

### **Disabled Visitors**

In collaboration with Disabled Wintersport Australia (DWA) the resort has increased visitor access with the production of a village guide specifically for disabled users, the increase of disabled parking facilities, and the operation of a modern wheelchair-friendly VW transporter for on-mountain use.

### Women

Our executive management team has a gender balance of 3 male and 2 female. We are committed to providing equal opportunity advancement for all employees and have adopted a recruitment structure on a merit-based selection process. We are also committed to facilitate balance between work and family responsibilities for all employees. This is consistent with the government's Office of Women's Policy.

### Youth

The Board employs a work experience youth as the opportunity arises and actively encourages participation by the Alpine Leadership School. We also provide regular environmental and safety student talks throughout the winter season. We seek trade-based apprentices in line with the government's vision for young people.

### **Record Management**

The Board is committed to cataloguing and filing records according to the Public Records Act 1973.

### Risk Management

### Risk Management Policy

Our aim is to ensure visitors and staff members have a safe and enjoyable experience. We do this by providing operational services including fleet management and maintenance, transport, car parking and traffic control, snow clearing, cross country and ski field safety, public amenities, visitor safety, resort entry, snowplay, insurance (public liability) and plant/vehicle workshops.

Risk Attestation for Period 1 Jan 2017 – 30 June 2017

I, Nicole Feeney certify that the Mt Hotham Alpine Resort Management Board (MHARMB) has risk management processes in place consistent with the Australian/New Zealand Risk Management Standards AS/NZS ISO 31000-2009, Victorian Government Risk Management Framework (VGRMF), and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. In addition to this the VGRMF requires the Board to arrange all its insurance with VMIA unless exempted by the responsible Minister or where VMIA cannot offer insurance for a specific risk. The Board therefore is only partially compliant due to all insurance other than Motor Vehicle insurance is held with VMIA. This arrangement has been in place since the creation of the Alpine Resorts (Management) Act 1997 at the inception of Board appointments, due to VMIA previously not providing insurance in this area. All Victorian Alpine Resorts engage in an insurance broker to cover all the Alpine Resorts Specialised Plant, Equipment and Motor Vehicles through Marsh

Advantage Insurance which is APRA accredited. VMIA have confirmed they are unable to provide a quote on a premium which is competitive with the commercial market and will review their current motor portfolio rates against the rest of the commercial market and hope they will be in a more competitive position by 30 June 2018.

Nicole Feeney | Chairperson

Nicole Feeney | Chairperson Mount Hotham Alpine Resort Management Board 31st December 2017

Mt Hotham Alpine Resort Management Board Financial Management Compliance Attestation Statement for period 1 July 2017 – 31 December 2017

I Jon Hutchins, certify that the Mt Hotham Alpine Resort Management Board has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and DTF Instructions.

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**Jon Hutchins** 

Chief Executive Officer Mount Hotham Alpine Resort

**Management Board** 

### **Statutory Reporting**

### Corporate Plan

Section 53 of the Alpine Resorts (Management) Act 1997 requires The Board to prepare an annual Corporate Plan. The Minister must approve the Corporate Plan each year. The Corporate Plan must include:

- 1. A statement of corporate intent in accordance with Section 54 of the Act;
- 2. A Business Plan containing the Minister
- 3. Estimates of the receipts and expenditure of the Board for the period of the plan.

The Business Plan is also developed on an annual basis to specify objectives and to measure the performance of the organisation against the objectives identified within the plan. Our Corporate Plan is structured on a set of core responsibilities:

- Our Customer and Community Focus;
- Our Year Round Resort;
- · Our Services;
- Our Developer Services;
- Our Environment of the Ridge;
- · Our Strategic Partnerships; and
- Our Corporate Governance.

### Obligations of the Board

As a Committee of Management under the Crown Lands (Reserves) Act 1978, we have obligations to manage the land in accordance with the purpose for which the land has been reserved and may exercise the powers conferred to Committees of Management under that Act.

The Board's obligations under the Alpine Resorts (Management) Act 1997 are to discharge its functions effectively and efficiently.

Additionally; - section 34(7) imparts to the Board the following attributes and authorities:

- Is a body corporate with perpetual succession;
- 2. Has a common seal;
- 3. May sue and be sued in its corporate name;
- 4. May acquire hold and dispose of real and personal property; and
- 5. May do and suffer all acts and things that a body corporate may by law do or suffer.

S.35 of the Alpine Resorts (Management) Act 1997: In carrying out its functions and powers, each Board acts on behalf of the Crown.

### 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 each such 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 each such alpine resort in accordance with the object of the Act,
- To manage each such 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 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);
- To manage the Crown Land in Mount Hotham by acting as a Committee of Management under the Crown Land (Reserves) Act 1978;
- To contribute, together with Tourism Victoria, established under the Tourism Victoria Act 1992, and the Council, to the overall promotion of alpine Resorts;
- To develop a tourism and marketing strategy and to promote the resort;
- To provide services in the nature of: garbage disposal, water supply, gas, drainage, sewerage, electricity, roads, fire protection, snowmaking, transport for the resort and to charge user pays contributions for the provision of those services;
- To collect fees prescribed by the regulations for the Resort;
- To attract investment for the improvement of the Resort; and
- To carry out any other function conferred on the Board by this or any other Act.

### Fair Trading Act

From 1 June 2004 new regulations under the Fair Trading Act 1999 came into effect.

The Fair Trading (Recreational Services)
Regulations 2004 make it possible for suppliers of recreational services to obtain consent from customers to waive their rights under the Act, including their right to take legal action against the supplier if they die or are injured while using the services.

In compliance with the Fair Trading (Recreational Services) Regulations 2004, The Board has installed warning signs at both resort entry gates

to alert visitors to the fact that they are being asked to agree to waive their rights under the Fair Trading Act 1999.

### Privacy Act 1988 (Commonwealth)

The Federal Government introduced the Privacy (Private Sector) Amendment Act 2000, which amends the Privacy Act 1988 (Commonwealth). The main aim of this legislation, which came into effect on 21 December 2001, is to give more control over the way private organisations collect, use, disclose and store information.

The Board prides itself in handling personal information with extreme care and diligence. In order to comply with the Privacy (Private Sector) Amendment Act, we have adopted the The Board Privacy Policy.

### National Competition Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government business may experience, simply as a result government ownership, should be neutralised. The Board continues to implement and apply this principle in its business undertakings.

We are one of five independent alpine resort management Boards within Victoria. We have established our own pricing regime within the ceiling prescribed by the Alpine Resort (Management) Regulations 2009. The Board, as the independent manager of the Resort's assets, purchases services and goods in line with Government Board Purchasing guidelines. We comply with the Government's National Competition Policy.

### Victorian Industry Participations Policy

The VIPP was established in 2001 to actively encourage greater local industry participation in major Victorian Government procurement contracts, projects and infrastructure, investment attraction and community facilities grants.

The Victorian Industry Participation Policy Act 2003 (VIPP Act) was introduced in October 2003. Under the Act, The Board implements policies to tenders over \$1 million as required for Regional Victoria. The Minister for Manufacturing Exports and Trade is responsible for introducing the strengthened VIPP, which took effect from 1 July 2009. There was one contract that commenced in

2013/14 that met the regional threshold of over \$1 million. A VIPP Plan was not required due to nil to limited contestability. The local content is 90 per cent.

### Freedom of Information

The Board is considered to be a 'Government Agency' under the terms of the Freedom of Information Act 1982. Accordingly, it is required to comply with the procedures that have been prescribed under which members of the public may gain access to information held by agencies.

A decision to release information is made by either the principal officer or an authorised officer. There was one FOI request in the reporting period. MHARMB has determined that the Authorised Officer for the Resort is the General Manager.

Jenny Molloy
Freedom of Information Officer
PO Box 188, Bright 3741
Ph: 03 5759 3550
Fax: 03 5759 3693
Email: jennymolloy@mthotham.com.au

### Relevant Information

The following is retained by the accountable officer and is available to the relevant Minister, Members of Parliament and the public on request.

FRD 22E Statement of Availability of other information:

- Statement declaring pecuniary interests completed by all relevant officers;
- Details of publications produced and where available;
- Details of changes in prices, fees, charges, rates and levies;
- Details of any major external reviews;
- Details of major research and development activities;

- Details of overseas visits;
- Details of major promotional public relations and marketing activities;
- Details of assessments and measures undertaken to improve occupational health and safety of employees;
- General statement on industrial relations and details of time lost through industrial accidents and disputes; and
- Major committees sponsored, purposes of committees and achievements.

### Protected Disclosure Act 2012 (and the Whistleblowers Protection Act 2001)

Mount Hotham Alpine Resort Management Board (MHThe Board) is subject to the Protected Disclosure Act, which enables people to make disclosures about improper conduct within the public sector without fear of reprisal. It aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do. The Protected Disclosure Act 2012 (Act) was part of a package of integrity reforms introduced by the Victorian Government, which also established the Independent Broad-based Anti-corruption Commission (IBAC).

The Board has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about The Board or its employees. You can access The Board's procedures on our website at www. mthotham.com.au.

### How to make a 'protected disclosure'

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The Board is committed to the aims and objectives of the Act and values integrity and accountability in its administrative and management practices. We fully support the processes of disclosure that reveal corrupt conduct, mismanagement of public resources or conduct involving a substantial risk to public health and safety, or the environment. You can make a protected disclosure about The Board, its Board members, officers or employees by contacting the The Board Protected Disclosure Coordinator, DELWP or IBAC on the contact details provided below.

### Protected disclosure contacts

Mount Hotham Alpine Resort Management Board (MHARMB) Jon Hutchins Chief Executive Officer

••••••

PO Box 188, Bright 3741 Ph: 03 5759 3550

Fax: 03 5759 3693

Email: jonhutchins@mthotham.com.au

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

Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3001

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

### Disclosures under the protected Disclosure Act 2012

In 2017 no disclosures were received.

### Data Vic Access Policy

In August 2012, the Victorian Government released the DataVic Access Policy, which enables the sharing of government data at no, or minimal, cost to users. Government data from all agencies will be progressively supplied in a machine-readable format that will minimise access costs and maximise use and reuse.

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### **Independent Auditors Report**



### **Independent Auditor's Report**

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

### Opinion

I have audited the financial report of the Mount Hotham Alpine Resort Management Board (the authority) which comprises the:

- balance sheet as at 31 December 2017
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including a summary of significant accounting policies
- chairman's, accountable officer's and chief financial and accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

### Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

### Board's responsibilities for the financial report

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

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

### **Independent Auditors Report**

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

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

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

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MELBOURNE 19 March 2018 Travis Derricott as delegate for the Auditor-General of Victoria

### MOUNT HOTHAM ALPINE RESORT MANAGEMENT BOARD COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

| Continuing operations<br>Income from transactions  | Note                         | 2017<br>\$                                    | Period 1 Nov 2015<br>to 31 Dec 2016<br>2016<br>\$ |
|--|------------------------------|---|---|
| Interest Sale of goods and services Grants Fair value of assets and services received free of charge or for nominal consideration                                      | 2.2.1<br>2.2.2<br>2.2.3      | 73,598<br>10,531,852<br>204,926<br>64,990     | 108,718<br>10,829,893<br>151,983                  |
| Other income Total income from transactions  | 2.2.5<br>2.1, 4.1            | 648,840<br>11,524,206                         | 672,230<br>11,762,824                             |
| Expenses from transactions   |                              |   |   |
| Employee expenses Depreciation Interest expense Other operating expenses   | 3.1.1<br>5.1.1<br>7.1<br>3.3 | 4,570,782<br>1,546,664<br>91,928<br>5,467,298 | 4,162,238<br>1,684,253<br>114,812<br>5,614,023    |
| Total expenses from transactions  Net result from transactions (net operating balance)   | 4.1                          | (152,466)                                     | 11,575,326<br>187,498                             |
| Other economic flows included in net result  Net gain/(loss) on non financial assets <sup>(a)</sup> Net gain/(loss) arising from revaluation of long service liability | 9.1<br>9.1                   | 21,170<br>(41,395)                            | -<br>(45,384)                                     |
| Total other economic flows included in net result Net result from continuing operations  |                              | (20,225)<br>(172,691)                         | (45,384)<br>142,113                               |
| Other economic flows - other comprehensive income  |                              |   |   |
| Items that will not be reclassified to net result Changes in physical asset revaluation deficit Total other economic flows - other comprehensive income                | 9.2                          | (41,511)<br>(41,511)                          | (6,042,866)<br>(6,042,866)                        |
| Comprehensive result   |                              | (214,202)                                     | (5,900,753)                                       |

The accompanying notes form part of these financial statements.

<sup>(</sup>a) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

### MOUNT HOTHAM ALPINE RESORT MANAGEMENT BOARD BALANCE SHEET AS AT 31 DECEMBER 2017

|                         | BALANCE CHEET NO AT STEE                     | OLINDLI (2017 |                  |   |
|-------------------------|--|---------------|------------------|---|
| ASSETS                  |  | Note          | 2017<br>\$       | Period 1 Nov 2015<br>to 31 Dec 2016<br>2016<br>\$ |
|                         |  |               |                  |   |
| Financial Assets        |  |               | 000007-0000      | 992000  |
|                         | Cash and Cash Equivalents                    | 7.2           | 1,501,372        | 927,816   |
|                         | Receivables                                  | 6.1           | 1,027,451        | 1,068,780   |
|                         | Investments and Other Financial Assets       | 5.3           | 2,800,000        | 3,000,000   |
| Total Financial As      | ssets  |               | 5,328,823        | 4,996,596   |
| Non Financial As        | sets   |               |                  |   |
|                         | Inventories                                  | 6.3           | 147,259          | 147,353   |
|                         | Property, Plant & Equipment                  | 5.1           | 77,329,510       | 77,512,410  |
|                         | Other Non-Financial Assets                   | 6.4           | 171,476          | 167,284   |
| <b>Total Non Financ</b> | ial Assets                                   | 55.5          | 77,648,245       | 77,827,047  |
| TOTAL ASSETS            |  |               | 82,977,068       | 82,823,642  |
| LIABILITIES             |  |               |                  |   |
| LIABILITIES             | Davables                                     | 6.0           | 4 220 244        | 4.004.670   |
|                         | Payables                                     | 6.2<br>7.1    | 1,336,314        | 1,084,678   |
|                         | Borrowings                                   |               | 1,332,916        | 1,430,973   |
|                         | Employee Related Provisions Other Provisions | 3.1.2<br>6.5  | 860,587<br>5.000 | 830,939   |
| TOTAL LIABILITII        |  | 0.5           |                  | 3,346,590   |
| TOTAL LIABILITI         | <b>-5</b>                                    |               | 3,534,817        | 3,340,590   |
| NET AS                  | SETS   |               | 79,442,251       | 79,477,052  |
|                         |  |               |                  |   |
| EQUITY                  |  |               |                  |   |
|                         | Accumulated surplus                          |               | 8,714,707        | 8,887,398   |
|                         | Physical Asset Revaluation Surplus           | 9.2           | 30,700,816       | 30,742,327  |
|                         | Contributed Capital                          |               | 40,026,728       | 39,847,328  |
| TOTAL EQUITY            |  |               | 79,442,251       | 79,477,053  |
|                         | Capital and forward Committee and            | 7.0           |                  |   |
|                         | Capital and forward Commitments              | 7.3           |                  |   |
|                         | Contingent assets and contingent liabilities | 8.2           |                  |   |
|                         |  |               |                  |   |

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

### MOUNT HOTHAM ALPINE RESORT MANAGEMENT BOARD STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

| Balance at 1 November 2015                                      | Physical Asset<br>Revaluation<br>Surplus<br>36,785,194 | Accumulated<br>Surplus<br>8,745,285 | Contributions<br>by Owner<br>39,847,328 | Total<br>85,377,807  |
|---|--|-------------------------------------|---|----------------------|
| Net result for the period                                       | _  | 142.113                             | _ 1                                     | 142.113              |
| Other comprehensive income for the year                         | (6,042,866)  |                                     | _ 6                                     | (6,042,866)          |
| Balance at 31 December 2016                                     | 30,742,327   | 8,887,398                           | 39,847,328                              | 79,477,053           |
| Contributions or Transfers by Owners<br>Net result for the year |  | -<br>(172,691)                      | 179,400                                 | 179,400<br>(172,691) |
| Other comprehensive income for the year                         | (41,511)   | (112,001)                           | - S                                     | (41,511)             |
| Balance at 31 December 2017                                     | 30,700,816   | 8,714,707                           | 40,026,728                              | 79,442,251           |

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

### MOUNT HOTHAM ALPINE RESORT MANAGEMENT BOARD CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

|   | Note  | 2017<br>\$  | Period 1 Nov 2015<br>to 31 Dec 2016<br>2016<br>\$                      |
|---|-------|---|--|
| Cash Flows from Operating Activities  |       |   |  |
| Receipts from Government Receipts from customers and other entities Payments to suppliers and employees Net GST received/(paid) Interest received Interest paid Net Cash (used in)/provided by Operating Activities | 7.2.1 | 204,926<br>11,287,011<br>(9,827,309)<br>2,369<br>73,598<br>(91,928) | 151,983<br>11,131,255<br>(9,699,986)<br>70,437<br>108,718<br>(114,812) |
|   |       | 1,010,001   | 1,047,000  |
| Cash Flows from Investing Activities  |       |   |  |
| Cash transferred out of Term Deposits Cash transferred into Term Deposits Payments for non-financial assets Proceeds from sale of non-financial assets Net Cash (used in)/provided by Investing Activities          |       | 1,300,000<br>(1,100,000)<br>(1,477,630)<br>121,175<br>(1,156,454)   | 2,300,000<br>(1,000,000)<br>(3,943,891)<br>-<br>(2,643,891)            |
| Cash Flows from Financing Activities  |       |   |  |
| Proceeds from Capital contributions Repayment of Borrowings from Treasury Corporation Victoria Net Cash (used in)/provided by Financing Activities  |       | 179,400<br>(98,057)<br><b>81,343</b>                                | (113,907)<br>(113,907)   |
| Net Increase/(Decrease) in Cash Held  |       | 573,555   | (1,110,204)  |
| , , , , , , , , , , , , , , , , , , ,   |       | 373,333   | (1,110,204)  |
| Cash at the beginning of the Financial Year   |       | 927,816   | 2,038,019  |
| Cash and cash equivalents at the end of the Financial Year  | 7.2   | 1,501,372   | 927,816  |
|   |       |   |  |

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

### Financials

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### Note 1 Summary of significant accounting policies

The Mount Hotham Alpine Resort Management Board (MHARMB) is constituted under the Alpine Resorts (Management) Act 1997.

The MHARMB is deemed to be a Committee of Management under the Crown Land (Reserves) Act 1978 acting on behalf of the Crown, and is subject to Ministerial directions and guidelines.

Its principal address is:

Mount Hotham Alpine Resort Management Board

28 Great Alpine Road

Hotham Heights VIC 3741

A description of the nature of the MHARMB's operations and its principal activities is included in the nature and scope of activities, which does not form part of these financial statements.

### Basis of preparation

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

The reporting period covered in the financial statements is 1 January 2017 to 31 December 2017 with a 14 month comparative period. In 2016 there was a directive from the Minister for Finance & Multicultural Affairs, Robin Scott MP, to change the financial year from 31 October 2016 close to 31 December 2016.

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

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgement made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ

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

Note 8.2 discloses a potential onerous contract in which the unavoidable costs of meeting the obligations under the contract may exceed the economic benefits expected to be received under it. AASB 137 requires a reliable estimate of the amount of the obligation before a provision is recognised. If a reliable estimate is not available, then no provision shall be recognised. The Board has been unable to to establish a reliable estimate therefore no provision has been recognised at 31 December 2017. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes.

The financial statements cover the Mount Hotham Alpine Resort Management Board (MHARMB) as an individual reporting entity and include all the controlled activities of the Board.

### Compliance information

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

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

### Scope and presentation of financial statements

### Comprehensive operating statement

The comprehensive operating statement 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 sum of the former two, together with the net result from discontinued operations, represents the net result

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 of non-financial assets
- Revaluation of Long Service Leave liability; and
- Revaluations and impairments of non-financial physical and intangible assets

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

### alance 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 (non-current being those assets or liabilities expected to be recovered or settled more than 12 months) are disclosed in the notes, where relevant.

### Cash flow statemen

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.

### Statement of changes in equity

The statement of changes in equity presents reconciliations of 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 'transaction with owners in the capacity as owners'

Any grants and contributions received from the Victorian State Government that are deemed as being in the nature of owner's contributions are accounted for as Equity - Contributed Capital in accordance with FRD119A Transfers Through Contributed Capital.

### 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 due to rounding.

### Basis of accounting preparation and measurement

In the determination of whether an asset or liability is financial or non-financial, consideration is given to the extent of the asset's ability to be converted into liquid (cash) funds

# Goods and Services Tax: Income, expenses and assets are recognised net of the amount of associated goods and services tax (GST), except where the amount of GST is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense

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

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

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

### Financials

### 2. FUNDING DELIVERY OF OUR SERVICES

### troduction

Mount Hotham Alpine Resort Management Board's overall objective is to deliver a premier alpine resort through the optimal management of the Crown Asset.

To enable the Board to fulfil its objective and provide the infrastructure and services, it receives income from levies of site rent and service charges, gate entry and gas usage.

### Structur

- 2.1 Summary of income that funds the delivery of our services
  - 2.2 Income from transactions

| Period 1 Nov 2015 to 31<br>Dec 2016 | 2016   | 108 718  | 10,829,893                 | 151,983 | 3  | 672,230      | 11,762,824                     |
|-------------------------------------|--|----------|----------------------------|---------|--|--------------|--------------------------------|
|                                     | 2017   | 73 598   | 10,531,852                 | 204,926 | 64,990   | 648,840      | 11,524,206                     |
|                                     | Notes  | 221      | 2.2.2                      | 2.2.3   | 2.2.4  | 2.2.5        |                                |
|                                     |  |          |                            |         |  |              |                                |
|                                     |  |          |                            |         |  |              |                                |
|                                     |  |          |                            |         | al consideration   |              |                                |
|                                     |  |          |                            |         | Fair value of assets and services received free of charge or for nominal consideration |              |                                |
|                                     | services   |          | vices                      |         | nd services received free  |              | ansactions                     |
|                                     | ds the delivery of our   | Interest | Sale of goods and services | Grants  | Fair value of assets ar  | Other Income | Total income from transactions |
|                                     | Note 2.1 Summary of income that funds the delivery of our services |          |                            |         |  |              |                                |
|                                     | Note 2.1 Sui   |          |                            |         |  |              |                                |

Income is recognised to the extent it is probable the economic benefits will flow to the MHARMB and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

Where necessary interest is charged on overdue debts in accordance with the Penalty Interest Rates Act 1983 or in accordance with relevant legislation and/or lease terms. At 31 December 2017 the Penalty Interest Rate was 9.5% (2016 9.5%).

| 2016                         | 69                         |  | 103,650                   | 5,068            | 108,718        |
|------------------------------|----------------------------|--|---------------------------|------------------|----------------|
| 2017                         | 69                         |  | 73,156                    | 442              | 73,598         |
| 2.2 Income from transactions | Note 2.2.1 Interest Income | Interest from financial assets not at fair value through profit and loss | Interest on bank deposits | Penalty Interest | Total Interest |

Interest income includes interest received on bank and term deposits and penalty interest on overdue debtors. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

|  |  | 2017 2016 | 49 | 1,249,274 1,442,936 | - 2 | 152,166 139,542 | 1,163,279 1,076,135 |  | 141,755 174,320 | 10.531.852 10.829.893 |
|--|--|-----------|----|---------------------|-----|-----------------|---------------------|--|-----------------|-----------------------|
|--|--|-----------|----|---------------------|-----|-----------------|---------------------|--|-----------------|-----------------------|

Site rental is recognised under the terms and conditions of each lease and in accordance with the MHARMB's role as a Committee of Management of any Crown Land deemed to be permanently reserved under the Crown Lands Reserve Act 1978. MHARMB as lessor - Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease

Service Charge revenue is brought to account when a rate/lariff is levied or determined for service charges leviable under Section 13 of the Alpine Resorts (Management) Act 1997

Gate entry revenue (including from the sale of season passes) is recognised when received and when the entitlement is in the current financial year. Season pass receipts receipts receipts receipts receipts passes) years are proportioned to the year of entitlement.

Gas revenue is recognised when LPG has physically been delivered through a meter and the meter is read, invoiced to the customer and collectability is reasonably assured and revenue can be measured reliably.

| 2017 | 59                | 15,000                  | 126,818                | 009'09                         | 2,508  | 204,926      |
|------|-------------------|-------------------------|------------------------|--------------------------------|--|--------------|
|      |                   |                         |                        |                                |  |              |
|      |                   | Sustainability Victoria | Government tax rebates | Murray PHN after hours funding | Alpine Shire Council contribution to Hotham Dinner Plain Trail | Total grants |
|      | Note 2.2.3 Grants |                         |                        |                                |  |              |

Period 1 Nov 2015 to 31 Dec 2016 2016 \$

33,182 53,827 60,600 4,374 151,983

Grants
Income from grants (other than contribution by owners) is recognised when the MHARMB obtains control over the contribution. The MHARMB is deemed to have assumed control when the grant is receivable or received.

| 2017 2016  |        | - 064 890           | . 64,990   |
|--|--------|---------------------|--|
| ir value of assets and services received free of charge or for nominal consideration | Assets | Plant and equipment | Total fair value of assets and services received free of charge or for nominal consideration |

Fair

Note 2.2.4

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use.

| 2017                    | 232,901              | 88.861       |                                      | 140,120           | 43,218        | 143,740       | 648,840     |  |
|-------------------------|----------------------|--------------|--------------------------------------|-------------------|---------------|---------------|-------------|--|
|                         |                      |              |                                      |                   |               |               |             |  |
|                         |                      |              |                                      |                   |               |               |             |  |
|                         |                      |              |                                      |                   |               |               |             |  |
|                         |                      |              |                                      |                   |               |               |             |  |
|                         | Revenue              | ne           | Service Charges - Infrastructure fee | evenue            | Ø             | ше            |             |  |
|                         | Infringement Revenue | Rental Incon | Service Cha                          | Marketing Revenue | Building Fees | Sundry Income | Total Other |  |
| Note 2.2.5 Other Income |                      |              |                                      |                   |               |               |             |  |

\$ 368.657 60.622 41,181 66,094 64,710 70,966 **672,230** 

Infringement notices are recognised as revenue when the penalty has been imposed.

Rental Income from leasing of investment properties are recognised on a straight line basis over the lease term.

All other revenues are recognised when the services are performed.

### Financials

### 3. THE COST OF DELIVERING SERVICES

### Introduction

This section provides an account of the expenses incurred by the MHARMB in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

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

- 3.1 Expenses incurred in delivery of services3.2 Audit Fees3.3 Other operating expenses

## NOTE 3.1 Expenses incurred in delivery of services

Period 1 Nov 2015 to 31 Dec 2016 2016

\$ 4,162,238 5,614,023 9,776,261

\$ 4,570,782 5,467,298 10,038,080

Notes 3.1.1 3,821,393 340,845 **4,162,238** 

4,196,279 374,503 **4,570,782** 

2016

2017

Employee benefit expenses Other operating expenses Total expenses incurred in delivery of services

Note 3.1.1 Employee benefit expenses

Salaries, wages and other on costs
Defined contribution superannuation expense
Total employee expenses

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

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting

Note: 3.1.2 Employee benefits in the balance sheet
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

| Note 3.1.2 Employee benefits in the balance sheet          |          | Period 1 Nov 2015 to 31<br>Dec 2016 |
|--|----------|-------------------------------------|
| Current provisions:  | 2017     | 2016                                |
| Annual leave   | ,        | 9                                   |
| Unconditional and expected to be settled within 12 months  | 205 135  | 201 288                             |
| Unconditional and expected to be settled after 12 months   | 24457    | 38,819                              |
| Long service leave   |          |                                     |
| Unconditional and expected to be settled within 12 months. | 84 783   | 80 043                              |
| Unconditional and expected to be settled after 12 months   | 36.178   | 341 945                             |
| Provisions related to employee benefits on-costs           |          |                                     |
| Unconditional and expected to be settled within 12 months  | 44 642   | 42 915                              |
| Unconditional and expected to be settled after 12 months   | 61.298   | 60 348                              |
| Total current provisions for employee benefits             | 782 782  | 765 358                             |
| Non-current  |          |                                     |
| Employee Benefits  | 67.721   | 56 582                              |
| On-costs   | 10.777   | 90,305                              |
| Total non-current provisions for employee benefits         | 78 497   | 65 582                              |
| Total Provisions   | 7010     | 200,00                              |
|  | /80/1000 | 830,939                             |
| Reconciliation of movement in on-costs provisions          |          |                                     |
| Opening balance  | 112.263  |                                     |
| Additional provisions recognised                           | OVE A    |                                     |
| Closing balance  | 116,712  |                                     |
| Current  | 105 941  |                                     |
| Non Current  | 14.701   |                                     |
|  |          |                                     |

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

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and time in lieu leave are measured at:

Nominal value – if the MHARMB expects to wholly settle within 12 months: or

Present value – if the MHARMB does not expect to wholly settle within 12 months.

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the MHARMB 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 MHARMB expects to wholly settle within 12 months; and

Present value if the MHARMB does not expect to wholly settle within 12 months.

### Financials

Any gain or loss following revaluation of the present value of non current LSL liability is recognised in the 'net result from transactions', except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value. net result as an -'other economic flow'.

recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to Termination benefits: Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. The MHARMB encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Employee benefits on-costs: Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

### Note: 3.1.3 Superannuation contributions

Employees of MHARMB are entitled to receive superannuation benefits and the Board contributes to both defined benefit and defined contribution plans

The defined benefit plan(s) provides benefits based on years of service and final average salary.

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the MHARMB.

There were no unfunded liabilities in regard to the Board's membership of defined benefit superannuation schemes. The Mt Hotham Resort Management Board has no responsibility for any unfunded superannuation liability in respect to the below defined benefit scheme. The Board does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefit liabilities in its disclosure for administered items.

| Note 3.1.3 Superannuation contributions | Rate % | Paid contribution for the year 2017 |         | Contribution outstanding at year end | ing at year end |
|---|--------|-------------------------------------|---------|--------------------------------------|-----------------|
| Defined benefit plan (a)                |        |                                     |         |                                      |                 |
| GSO GSO                                 | 103    | 12 829                              | 13 005  | 3                                    |                 |
| Defined contribution plans              |        | 2001                                |         | re                                   |                 |
| AustSuper                               | 10°00  | 39 329                              | 43 486  | ::•                                  |                 |
| VicSuper                                | 9.5    | 164,075                             | 166,779 | S 9                                  | . 1             |
| Other                                   | 9.6    | 158,271                             | 116,585 |                                      |                 |
| Total                                   |        | 374 504                             | 340 845 | ,                                    | 1               |
| Motor                                   |        |                                     | 010,010 |                                      |                 |

Note:

(a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plan.

| Note 3.2 Audit Fees | VAGO Audit of the financial statements Internal Auditors  Total remuneration of auditors |  |
|---------------------|--|--|

|                                   | Supplies and services | Purchase of services (including remuneration of auditors) | Maintenance | Subtotal | Bad debts from transactions | Cost of Goods Sold - Gas operations | Cost of Goods Sold - Horticultural operations | Legal | Total other operating expenses |
|-----------------------------------|-----------------------|---|-------------|----------|-----------------------------|-------------------------------------|---|-------|--------------------------------|
| Note 3.3 Other operating expenses |                       |   |             |          |                             |                                     |   |       |                                |
| Note 3.3                          |                       |   |             |          |                             |                                     |   |       |                                |

4,129,000 728,503 **4,857,503** 82,125 510,678

3,911,028

38,366

5,467,298

Period 1 Nov 2015 to 31

35,750 13,810 **49,560** 

2016

Dec 2016 2016

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amount of any inventories held for distribution are expensed when the inventories are distributed.

4. DISAGGREGATED FINANCIAL INFORMATION BY CORE FUNCTIONS

The MHARMB is predominantly self funded by contributions by head leasees and collection of gate entry fees.

The expenses from transactions are presented by way of function which relate to the core services provided by the Board.

Note 4.1 Comprehensive Operating Statement by core function

|   | Departme   | ental total             |
|---|------------|-------------------------|
|   |            | Period 1 Nov 2015 to 31 |
|   |            | Dec 2016                |
|   | 2017       | 2016                    |
|   | \$         | \$                      |
| Continuing operations   |            |                         |
| Income from transactions  |            |                         |
| Government Contributions  | 204,926    | 151,983                 |
| Site rental   | 1,401,883  | 1,442,936               |
| Service charges   | 4,402,785  | 5,180,732               |
| Transport Contribution  | 152,166    | 139,542                 |
| Gas trading operations  | 1,163,279  | 1,076,135               |
| Gate entry  | 3,270,427  | 2,816,228               |
| Horticultural supplies  | 141,755    | 174,320                 |
| Interest  | 73,156     | 108,718                 |
| Fair value of assets and  | 64,990     |                         |
| Other income  | 648,840    | 672,230                 |
| Total income from transactions  | 11,524,206 | 11,762,824              |
| Expenses from transactions  |            |                         |
| Infrastructure services   | 1,877,741  | 1,951,400               |
| Village operations  | 1,660,404  | 1,640,757               |
| Visitor services  | 1,207,564  | 1,090,956               |
| Administration & Corporate Services   | 3,396,834  | 3,494,556               |
| Marketing   | 779,910    | 467,633                 |
| Cost of Goods Sold - Trading operations   | 635,125    | 510,678                 |
| Alpine Resorts Co-ordinating Council contributions                                | 367,447    | 465,839                 |
| Board costs   | 113,055    | 154,442                 |
| Depreciation  | 1,546,664  | 1,684,253               |
| Interest Expense  | 91,928     | 114,812                 |
| Total expenses from transactions  | 11,676,672 | 11,575,326              |
| Net result from transactions (net operating balance)                              | (152,466)  | 187,498                 |
| Other economic flows included in net result                                       |            |                         |
| Net gain/(loss) on non financial assets <sup>(a)</sup>                            | 21,170     | -                       |
| Net gain/(loss) arising from revaluation of long service liability <sup>(b)</sup> | (41,395)   | (45,384)                |
| Total other economic flows included in net result                                 | (20,225)   | (45,384)                |
| Net result from continuing operations   | (172,691)  | 142,113                 |
| Other economic flows - other comprehensive income                                 |            |                         |
| Items that will not be reclassified to net result                                 |            |                         |
| Changes in physical asset revaluation deficit <sup>(c)</sup>                      | (41,511)   | (6,042,866)             |
| Total other economic flows - other comprehensive income                           | (41,511)   | (6,042,866)             |
| Comprehensive result  | (214,202)  | (5,900,753)             |
| Comprehensive result  | (217,202)  | (3,300,733)             |

### Financials

# 5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

### Structure

5.1 Total property, plant and equipment

5.2 Investment properties

5.3 Investments and other financial assets

The MHARMB controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities.

| amount                                 | 2016 | 69 | 30,821,000         | 42,208                           | 7,215,760               | 4,322,126  | 7,239,321                        | 15,346,742          | 8,610,177              | 2,156,446         | 1,338,124                                       | 420,506                           | 77,512,410          |  |
|--|------|----|--------------------|----------------------------------|-------------------------|--|----------------------------------|---------------------|------------------------|-------------------|---|-----------------------------------|---------------------|--|
| Net carrying amount                    | 2017 | 69 | 30,821,000         | 42,208                           | 7,125,795               | 4,497,877  | 7,239,039                        | 15,205,707          | 8,618,349              | 2,082,137         | 1,461,306                                       | 236,092                           | 77,329,510          |  |
| preciation                             | 2016 | 69 |                    | į                                | (1,026)                 | (247,098)  | (3,487)                          | (2,478)             | (10,855)               | (354)             | (2,772,429)                                     |                                   | (3,037,727)         |  |
| Accumulated depreciation               | 2017 | 65 | ¥                  | ä                                | (238,000)               | (219,533)  | (89,912)                         | (366,831)           | (301,813)              | (74,663)          | (2,990,445)                                     | 3                                 | (4,281,197)         |  |
| ng amount                              | 2016 | 69 | 30,821,000         | 42,208                           | 7,216,786               | 4,569,225  | 7,242,808                        | 15,349,219          | 8,621,033              | 2,156,800         | 4,110,553                                       | 420,506                           | 80,550,139          |  |
| Gross carrying amount                  | 2017 | 69 | 30,821,000         | 42,208                           | 7,363,796               | 4,717,410  | 7,328,951                        | 15,572,538          | 8,920,162              | 2,156,800         | 4,451,751                                       | 236,092                           | 81,610,707          |  |
| .1 Total property, plant and equipment |      |    | Land at fair value | Land held for sale at fair value | Buildings at fair value | Village and Community Infrastructure at fair value | Roads and Carparks at fair value | Water at fair value | Sewerage at fair value | Gas at fair value | Plant, Equipment & Motor Vehicles at fair value | Capital Works in Progress at cost | Net carrying amount |  |
| Note 5.1                               |      |    |                    |                                  |                         |  |                                  |                     |                        |                   |   |                                   |                     |  |

Acquisition: Property, plant and equipment includes land, buildings, roads and car parks, community and village infrastructure, water, sewerage, gas, plant, equipment, furniture and motor vehicles. Items with a cost or value in excess of \$1,000 and a useful life to the MHARMB of more than one year are capitalised. All other assets acquired are expensed.

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.

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.

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

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

The most recent valuation was undertaken as at 31 December 2016. The fair value of buildings, roads and infrastructure has been determined by reference to the assets depreciated replacement cost recognising the residual value apparent in the valuation.

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

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

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment, are offset against one another in that class but are not offset in respect of assets in different classes. The asset revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset. Sale of Property, Plant and Equipment: 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.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 8.3.2 Fair Value Determination.

Valuation of Land: The MHARMB undertook a revaluation of its land assets for 31 December 2016 using the 'fair value' methodology. The revaluation was performed by the Valuer-General Victoria. Under fair value the RMB's controlled area based on 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 values areas of the MHARMB's controlled area based on comparable sales evidence methodology. The addition of these represents the fair value of the land assets under the MHARMB's control. As per financial note 8.3.2, MHARMB land has been classified as per the 'Fair Value Hierarchy' levels to account for In the MHARMB's view, asset values do not exceed their recoverable amount from their continued use and their subsequent disposal and as such, no adjustment to these values was made in the reporting period. the effects of the Community Services Obligation (CSO). The figures do not include any improvement values.

| Note 5.1.1 Depreciation and impairment charge for the year | Buildings | Infrastructure | Plant, equipment and motor vehicles | Total Depreciation |
|--|-----------|----------------|-------------------------------------|--------------------|

317,792 1,030,409 336,053

237,263 1,012,039 297,362 1,546,664

\$

1,684,253

Period 1 Nov 2015 to 31 Dec 2016

2016

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding assets held for sale and land) that have finite useful lives are depreciated. Depreciation is always 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.

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.

Depreciation rates currently applied to each class of asset are as follows:

Buildings
Community & Village Infrastructure
1.25%- 50%
Water
Sewerage
1.25%- 5%
Gas
Plant, Equipment & Motor Vehicles
5%- 50%

The above rates for Buildings, Community and Village Infrastructure, Roads and Car Parks, Water, Sewerage, Gas and Plant & Equipment assets have remained unchanged from the previous year

4,497,878 7,239,038 15,205,707 8,618,351 2,082,136 1,461,307 236,091 77,350,310 30,821,000 30,821,000 7,239,322 15,346,741 8,610,178 2,156,445 420,505 7,215,759 Carrying amount at Carrying amount at end of year 1,338,124 7,146,594 4,322,128 end of year (195,993) (86,425) (364,354) (290,958) (74,309) (161,978) (191,153) (330,079) (287,596) (59,603) (336,053) (237, 263)(297, 362)(317,792) (1,546,664) (1,684,254) Depreciation Depreciation Expense Expense 102,083 1,898,610 998,894 26,527 371,743 86,141 223,320 299,131 188,809 (3,818,750)(1,169,144)346,557 446,080 Transfers \$ Transfers S (388,487) (1,332,216) 4,461,448 652,588 357,675 (3,132) Acc. Depreciation (1,263,554)Acc. Depreciation (5,011,430)Adjustment Adjustment Note 5.1.3 Reconciliations of the carrying amounts of each class of asset at the beginning and end of the current financial year are set out below. 563,316 (1,970,087) (811,089) 1,322,850 866,085 (4,779,312) 20,800 20,800 Revaluation Movement (10,994,000) 6,243,613 Revaluation Movement . . 289 79,376 79,664 Disposals Accumulated Disposals Accumulated Depreciation Depreciation Disposals at Cost (41,800)(79,376)(121,176)Disposals at Cost \$ 420,545 984,730 1,405,275 272,192 3,671,699 3,943,891 Additions Additions S Carrying amount at start of year \$ 30,821,000 4,322,128 7,239,322 15,346,741 8,610,178 2,156,445 420,505 Carrying amount at start of year \$ 41,815,000 3,863,197 10,630,695 10,127,851 5,923,442 965,762 1,405,117 567,556 81,295,639 1,338,124 7,215,759 5,954,811 Plant, Equipment & Motor Capital Works in Progress Plant, Equipment & Motor Capital Works in Progress Village and Community Village and Community Roads and carparks Roads and carparks 2016 2017 Land Land held for sale Land Land held for sale Infrastructure Infrastructure Sewerage Sewerage Buildings Buildings Vehicles Vehicles Water Water Gas

| 70,000                  | 70,000 |
|-------------------------|--------|
| 70,000                  | 70,000 |
| 65                      | 69     |
| 2016                    | 2017   |
| Dec 2016                |        |
| Period 1 Nov 2015 to 31 |        |

| 3 Investments and other financial assets  Current term deposit investments  Term deposits (a)  Total current investments  Value of the financial assets  Language of the financial assets  Early \$2,300,000  Total current investments |
|---|
| al assets  al assets  Current term deposit investments  Term deposits (a)  Novel current investments  |
| oratement on a straignt-line basis over the lease term. <b>al assets</b> Current term deposit investments  Term deposits (a) <b>Total current investments</b> Non-current investments   |
| oratement on a straignt-line basis over the lease term.  al assets  Current term deposit investments  Total current investments  Total current investments  |
| oratement on a straignt-line basis over the lease term.  al assets  Current term deposit investments  Term deposits (a)  Total current investments  Non-current investments   |
| ovatement on a straign-line basis over the lease all assets  Current term deposit investments  Term deposits (a)  Total current investments  Non-current investments  |
| 7 7   |

Balance at beginning of financial year Balance at end of financial year

Note 5.2 Investment properties

| operties is   | 2016  | 69                               | . e               | 3.00                      |                         |               |                               | 3,0(   |
|---|---|----------------------------------|-------------------|---------------------------|-------------------------|---------------|-------------------------------|--|
| Investment properties exclude properties held to meet service delivery objectives of the MHARMB. Rental income from the leasing of investment properties is lease term.     | 2017  | 69                               | 2.300.000         | 2.300,000                 |                         | 000'009       | 200,000                       | 2,800,000                                    |
| es held to earn rentials. Investment properties exclude properties held to meet service deliver sight-line basis over the lease term.                                       |   | osit investments                 |                   | stments                   | stments                 |               | investments                   | Total investments and other financial assets |
| Investment Property: Investment properties represent properties held to earn rentals, recognised in the Comprehensive Operating Statement on a straight-line basis over the | Note 5.3 Investments and other financial assets | Current term deposit investments | Term deposits (a) | Total current investments | Non-current investments | Term deposits | Total non-current investments | Total investments a                          |

Notes: (a) Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

3,000,000

500,000 500,000 2,800,000

Term Deposits are classified as Other Financial Assets

Any interest earned on the financial asset is recognised in the Comprehensive Operating Statement as a transaction.

## NOTE 6 OTHER ASSETS AND LIABILITIES

### Introduction

This section sets out those assets and liabilities that arose from MHARMB's controlled operations.

### Structure

- 6.1 Receivables
- 6.2 Payables
- 6.3 Inventory
- 6.4 Other non-financial assets
  - 6.5 Other provisions

## Note 6.1 Receivable

Period 1 Nov 2015 to 31 Dec 2016 2016 \$

34,541 369,891 (170,883) 23,564

81,044 201,066 (108,827) 25,808

828,360

1,068,780

1,027,451

|             | Contractual | Trade debtors | Statutory receivable | Infringement debtors | Less provision for doubtful debts | Other receivables | Total Current Receivables |  |
|-------------|-------------|---------------|----------------------|----------------------|-----------------------------------|-------------------|---------------------------|--|
| Receivables |             |               |                      |                      |                                   |                   |                           |  |
| (e 0.1      |             |               |                      |                      |                                   |                   |                           |  |

- Contractual receivables, which include mainly debtors in relation to goods and services and accrued investment income; and
- Statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable.

Debtors are carried at amounts due. Where necessary, interest is charged on overdue debts in accordance with the Penalty Interest Rates Act 1983 or in accordance with relevant legislation and/or lease terms. At 31 December 2017 the Penalty Interest Rate was 9.5% (2016 9.5%). The carrying value of debtrors approximates fair value

The MHARMB's stated terms in respect of amounts receivable are payment in full within 30 days.

### Bad and Doubtful Debts

Receivables are subject to impairment testing as described below.

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

Receivables are assessed for bad and doubtful debts 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.

## Movement in provision for doubtful debts

Balance at the beginning of the year Amounts written off as uncollectible Balance at the end of the year New provisions recognised

(88,919) (82,125) 161 (170,883)

(170,883) (152,231) 214,287 (108,827)

2016

All debtors have been reviewed by management at period end and a provision for doubtful debts has been raised to reflect collectability of infringement debtors of \$108,827 (2016 \$170,883).

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

A provision for doubtful debts is recognised when collection in full for Infringement penalties is no longer probable.

| Current Trade creditors Statutory payable Accrued expenses Other payables |  |
|---|--|

Note 6.2

Payables consist of:
- Contractual payables, such as accounts payable and unearned income including deferred income from concession arrangements. Accounts payable represent liabilities for good and services provided to the MHARMB prior to the end of the financial year that are unpaid, and arise when the RWB becomes obliged to make future payments in respect of the purchase of those goods and services; and

All trade and other creditors are non-interest bearing. The carrying amount of creditors approximates fair value.

- Statutory payables, such as goods and services tax and fringe benefits tax payables. Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost, because they do not arise from a contract.

Statutory 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.

|   | 5 + years         | ٠               |                   | 1                | •              |           |      |                 | •                 | •                | (4)            | •         |
|---|-------------------|-----------------|-------------------|------------------|----------------|-----------|------|-----------------|-------------------|------------------|----------------|-----------|
| tes   | 1-5 years         | r               | i.                | 4                |                | •         |      | •               | •                 |                  | •              |           |
| Maturity dates                                | 3 months - 1 year | •               | 71€9              | 9                |                |           |      | 3               |                   | •                |                |           |
|   | 1-3 months 3      | 12,435          |                   |                  | 9              | 12,435    |      | 2,478           |                   | •                |                | 2,478     |
| Less than 1                                   | month             | 122,131         | 181,845           | 307,241          | 712,661        | 1,323,878 |      | 197,185         | 43,466            | 362,181          | 479,369        | 1,082,200 |
| Nominal                                       | amount            | 134,567         | 181,845           | 307,241          | 712,661        | 1,336,314 |      | 199,662         | 43,466            | 362,181          | 479,369        | 1,084,678 |
|   | Carrying amount   | 134,567         | 181,845           | 307,241          | 712,661        | 1,336,314 |      | 199,662         | 43,466            | 362,181          | 479,369        | 1,084,678 |
| Maturity analysis of contractual payables (a) | 2017              | Trade creditors | Statutory payable | Accrued expenses | Other payables | Total     | 2016 | Trade creditors | Statutory payable | Accrued expenses | Other payables | Total     |

Note: (a) Maturity analysis is presented using the contractual undiscounted cash flows.

| 2016   | 33,531  | 48,539                  | 51,989                                      | 98,814            |
|--|---|-------------------------|---|-------------------|
| 2017   | 42,563  | 56,071                  | 54,137                                      | 91,188            |
|  |   |                         |   |                   |
|  |   |                         |   |                   |
|  |   |                         |   |                   |
|  |   |                         |   |                   |
|  |   |                         |   |                   |
| les:   | e parts at cost   | ·                       | -   |                   |
| Current inventories<br>Supplies and consumab | Fuel at cost<br>Plant and equipment spare parts at cost | rentories held for sale | Gas at cost<br>Horticultural Plants at cost | Total inventories |
|  | Fu  | vil                     | Ga  | Tot               |
| Note 6.3 Inventories                         |   |                         |   |                   |
| Note 6.3                                     |   |                         |   |                   |

Inventories comprise goods for resale and goods for use. All inventiones are valued at the lower of cost and net realisable value. The carrying amounts of any inventories held for distribution are expensed when distributed. Goods for use - comprise goods procured or stored for use in operations and include diesel and unleaded fuel.

Goods for resale - comprise goods procured or developed for resale and include LPG gas and horticultural products.

Current other non-financial assets - Prepayments Total current other non-financial assets Other non-financial assets Note 6.4

Prepayments. Other non-financial assets include prepayments which 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.

Period 1 Nov 2015 to 31 Dec 2016

2016

167,284 167,284

171,476 171,476 5,000

2017

Total other provisions Current Provisions Other Provisions Note 6.5

Other provisions are recognised when MHARMB has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

## NOTE 7 HOW WE FINANCED OUR OPERATIONS

### Introduction

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

7.1 Borrowings

7.2 Cash flow information and balances 7.3 Commitments for expenditure

Note 7.1 Borrowings

Fixed interest loan from TCV

Total fixed interest loan from TCV Fixed interest loan from TCV Non-Current Loans from TCV Total Loans from TCV Total Maturity analysis of borrowings 2017 2016

|                | 5 + years         | 698,722   | 698,722   | 804,525         | 804,525   |
|----------------|-------------------|-----------|-----------|-----------------|-----------|
| ates           | 1-5 years         | 529,527   | 529,527   | 528,391         | 528,391   |
| Maturity dates | 3 months - 1 year | 79,137    | 79,137    | 74,139          | 74,139    |
|                | 1-3 months        | 25,530    | 25,530    | 23,918          | 23,918    |
| Less than 1    | month             |           |           | . Va <b>t</b> 2 | 3 €0      |
| Nominal        | amount            | 1,332,916 | 1,332,916 | 1,430,973       | 1,430,973 |
|                | Carrying amount   | 1,332,916 | 1,332,916 | 1,430,973       | 1,430,973 |

Period 1 Nov 2015 to 31 Dec 2016 2016

2017

1,332,916

1,228,249

98,057

104,667

Borrowings: All interest-bearing liabilities are initially measured at fair value of the consideration received, being the cost of the borrowings, net of directly attributable transaction costs. The measurement basis, subsequent to, initial recognition depends on whether the MHARMB has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through profit or loss, or financial liabilities at amortised costs.

Subsequent to, initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognisor in net result over the period of the borrowing using the effective intense.

| Period 1 Nov 2015 to 31<br>Dec 2016 | 2016 | 63 | 114,812 | 114,812 |  |
|-------------------------------------|------|----|---------|---------|--|
| ď                                   | 2017 | 69 | 91,928  | 91,928  |  |
|                                     | .,   |    |         |         |  |
|                                     |      |    |         |         |  |
|                                     |      |    |         |         |  |
|                                     |      |    |         |         |  |
|                                     |      |    |         |         |  |
|                                     |      |    |         |         |  |
|                                     |      |    |         |         |  |
|                                     |      |    |         |         |  |
|                                     |      |    |         |         |  |

|                  | Interest on government loans | lotal illerest expellae |  |
|------------------|------------------------------|-------------------------|--|
| Interest expense |                              |                         |  |

Interest expense includes costs incurred in connection with the borrowing of funds. It is recognised in the period in which it is incurred.

| Note 7.2 Cashflow information and balances | Current | Cash at bank | Balance as per cash flow statement |
|--|---------|--------------|------------------------------------|
| Note                                       |         |              |                                    |

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.

Note 7.2.1 Reconciliation of net results for the period to cash flow from operating activities

| Net Results for the reporting period  |  |
|---|--|
| Depreciation  |  |
| Fair Value of assets and services received free of charge or for nominal consideration<br>(Gain)/loss on sale of disposal of non-current assets |  |
| Other non-cash movements  |  |
| Change in operating assets and liabilities:   |  |
| Decrease/(increase) in receivables  |  |
| Decrease/(increase) in inventories  |  |
| Decrease/(increase) in prepayments  |  |
| Increase/(decrease) in payables   |  |
| Increase/(decrease) in accrued expenditure  |  |
| Increase/(decrease) in employee entitlements  |  |
| Net Cash Inflow from operating activities   |  |

(52,113) 71,708 (182,366) 344,452 10,414 1,647,595

41,329 94 (4,192) 73,283 178,353 29,648 1,648,667

(370,867)

Period 1 Nov 2015 to 31 Dec 2016

2016

142,113 1,684,253

(172,691)

1,546,664 (64,990) 21,170

2,626,318 115,000 2,741,318

2,741,318

# Note 7.3 Commitments for expenditure- total commitments payable (a)

| are total communers payane   |           |           |       |   |
|--|-----------|-----------|-------|---|
|  | Less than | 1-5       | 2+    |   |
| 2017   | 1 year    | years     | years |   |
| Expenditure commitments payable  | 69        | 69        | 69    |   |
| Operating and lease commitments payable (b)  | 877,887   | 1,748,431 |       | · |
| Walking trails and geo-technical works   | 50,000    | 65,000    |       | 1 |
| Total commitments (inclusive of GST)   | 927,887   | 1,813,431 |       |   |
| Less GST recoverable   |           |           |       |   |
| Total commitments (exclusive of GST)   |           |           |       |   |
|  |           |           |       |   |
|  | Less than | 1-5       | 2+    |   |
| 2016   | 1 year    | years     | years |   |
| Capital expenditure commitments payable  | , জ       | 8         | 69    |   |
| Walking trails and geo-technical works   | 50,000    | 65,000    |       | - |
| Total commitments (inclusive of GST)   | 50,000    | 65,000    |       |   |
| Less GST recoverable   |           |           |       |   |
| Total commitments (exclusive of GST)   |           |           |       |   |
| Notes:   |           |           |       |   |
| (a) Future finance lease and non-cancellable operating lease payments are recognised on the balance sheet. |           |           |       |   |

(a) Future finance lease and non-cancellable operating lease payments are recognised on the balance sheet.
(b) Operating lease commitments relate to office equipment with lease terms between three and seven years. These contracts do not allow MHARMB to purchase the facilities after the lease ends, but the lease can be renewed.

115,000

115,000 115,000

Tota/

The Board have awarded a Bus Tender with ongoing commitments of \$2,626,318. The Board has signed agreements for the construction and replacement of walking trails and geo-technical work. The forward commitments on these works totals \$115,000.

The Mt Hotham Alpine Resort Management Board and the Bright Medical Centre have an ongoing relationship to provide essential medical services in Mt Hotham. To aid this service the RMB provide adequate consulting rooms and the provision of essential assets to ensure Mt Hotham can provide an adequate medical service to its guests and residence.

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and inclusive of GST payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

# NOTE 8 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS Introduction

The MHARMB is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require higher level of judgement to be applied, which for the MHARMB related mainly to fair value determination.

- 8.1 Financial instruments specific disclosures
- 8.2 Contingent assets and contingent liabilities
  - 8.3 Fair value determination

(1) Financial risk management objectives and policies Mount Hotham Alpine Resort Management Board's principal financial instruments comprise of:

- · cash assets;

  - term deposits;
- 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 8.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the MHARMB's financial risks in the government policy parameters. The MHARMB's main financial risk and interest rate risk and interest rate risk and interest rate risk management policy. The MHARMB uses different methods to measure and manage the different risks to which it is exposed.

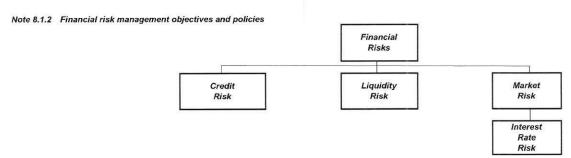
Interest rate risk exposure to interest rate risk is insignificant and might arise primarily through the Mount Hotham Alpine Resort Management Board's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, the Mount Hotham Alpine Resort Management Board mainly undertake financial inabilities with relatively even maturity profiles.

nterest rate risk exposure: The Mount Hotham Alpine Resort Management Board's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below

8.1 Financial instruments specific disclosures

Note 8.1.1 Financial instruments: Categorisation

| 7400   | assets - loans and receivables | assets - loans and liabilities at receivables amortised cost | Total     |
|--|--------------------------------|--|-----------|
| 1102   | \$                             | \$   | \$        |
| Contractual financial assets                     | 1 501 372                      |  | 1 501 372 |
| <sup>()</sup> Receivables                        | 828,360                        |  | 828,360   |
| Other receivables                                | 25,808                         |  | 25,808    |
| Term Deposits Total contractual financial assets | 5.155.540                      |  | 5.155,540 |
|  |                                |  |           |
| Contractual financial liabilities                |                                |  |           |
| 0 Accounts Payable                               |                                | 1,154,469  | 1,154,469 |
| Fixed Kate Borrowings - LCV                      | •                              | 1,332,916  | 1,332,910 |
| Total contractual financial liabilities          |                                | 2,487,385  | 2,487,385 |
| 2016   |                                |  |           |
|  |                                |  |           |
| Contractual financial assets                     |                                |  |           |
| Cash and deposits                                | 927,816                        | •  | 927,816   |
| <sup>(1)</sup> Receivables                       | 811,667                        |  | 811,667   |
| Other receivables                                | 23,564                         | *  | 23,564    |
| Term Deposits                                    | 3,000,000                      |  | 3,000,000 |
| Total contractual financial assets               | 4,763,047                      |  | 4,763,047 |
| Contractual financial liabilities                |                                |  |           |
| () Accounts Payable                              |                                | 1,041,212  | 1,041,212 |
|  |                                |  |           |
| Fixed Rate Borrowings - TCV                      | 1                              | 1,430,973  | 1,430,973 |
| Total contractual financial liabilities          |                                | 2,472,185  | 2,472,185 |



Sensitivity disclosure analysis. The following table details the sensitivity to movements in interest rates based on a parallel shift of -1% and +1% from market rates at year end.

Interest rate exposure of financial instruments

| 2017                              | Weighted Average<br>Interest Rate | Carrying amount | Fixed Interest | Variable<br>Interest | Non-Interest<br>Bearing |
|-----------------------------------|-----------------------------------|-----------------|----------------|----------------------|-------------------------|
|                                   |                                   | \$              | \$             | \$                   | \$                      |
| Financial Assets                  |                                   |                 |                |                      |                         |
| Cash                              | 0.86%                             | 1,501,372       | 300,000        | 1,179,156            | 22,216                  |
| Receivables and other receivables |                                   | 854,169         |                | -                    | 854,169                 |
| Other financial assets            | 2.20%                             | 2,800,000       | 2,800,000      | (*)                  |                         |
|                                   |                                   | 5,155,541       | 3,100,000      | 1,179,156            | 876,385                 |
| Financial Liabilities             |                                   |                 |                |                      |                         |
| (i) Accounts Payable              |                                   | 1,154,469       |                | -                    | 1,154,469               |
| Fixed Rate Borrowings - TCV       | 6.58%                             | 1,332,916       | 1,332,916      | -                    |                         |
|                                   |                                   | 2,487,385       | 1,332,916      | 175                  | 1,154,469               |
| 2016                              |                                   |                 |                |                      |                         |
|                                   |                                   | \$              | \$             | \$                   | \$                      |
| Financial Assets                  |                                   |                 |                |                      |                         |
| Cash                              | 0.65%                             | 927,816         |                | 840,466              | 87,350                  |
| Receivables and other receivables |                                   | 835,231         |                | **                   | 835,231                 |
| Other financial assets            | 2.30%                             | 3,000,000       | 3,000,000      | -                    |                         |
|                                   |                                   | 4,763,047       | 3,000,000      | 840,466              | 922,581                 |
| Financial Liabilities             |                                   |                 |                |                      |                         |
| (1) Accounts Payable              |                                   | 1,041,213       |                | -                    | 1,041,213               |
| Variable Rate Borrowings - TCV    | 6.58%                             | 1,430,973       | 1,430,973      | -                    |                         |
|                                   |                                   | 2,472,186       | 1,430,973      | -                    | 1,041,213               |

Note:

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

| 2017   | Weighted Average<br>Interest Rate | Nominal Amount | Not past due and not impaired | Less than<br>1 month | 1-3 months | More than<br>3 months - 1 year | 1-5 years | > 5 years |
|--|-----------------------------------|----------------|-------------------------------|----------------------|------------|--------------------------------|-----------|-----------|
|  |                                   | €              |                               | 8                    | \$         | \$                             | \$        | €9        |
| Financial Assets<br>Cash                                 | 0.86%                             | 1,501,372      | 1,201,372                     | 300,000              | •          |                                |           |           |
| (i) Receivables and other receivables                    |                                   | 854,169        | 730,791                       | 81,444               | 41,934     |                                |           |           |
| Other financial assets                                   | 2.20%                             | 2,800,000      |                               |                      |            | 2,300,000                      | 200,000   |           |
|  |                                   | 5,155,541      | 1,932,163                     | 381,444              | 41,934     | 2,300,000                      | 200,000   |           |
| Financial Liabilities                                    |                                   |                |                               |                      |            |                                |           |           |
| (i) Accounts Payable                                     | ,e 50%                            | 1,154,469      | 1,154,469                     | 1,154,469            | 25 530     | 78 137                         | 529 527   | 227.869   |
| Tixed hale borrowings - 104                              | 8/00.0                            | 2,487,385      | 1,154,469                     | 1,154,469            | 25,530     | 79,137                         | 529,527   | 698,722   |
| 2016   |                                   |                |                               |                      |            |                                |           |           |
| Financial Assets Cash OReceivables and other receivables | 0.65%                             | 927,816        | 788,631                       |                      | 46,599     | , ,                            |           |           |
| Other financial assets                                   | 2.30%                             | 3,000,000      | 788,631                       |                      | 46,599     | 3,000,000                      |           | 2 .       |
| Financial Liabilities                                    |                                   |                |                               |                      |            |                                |           |           |
| (i) Accounts Payable<br>Fixed Rate Borrowings - TCV      | 6.58%                             | 1,041,213      | 1,041,213                     | 1,041,213            | 23,918     | 74,139                         | 528,391   | 804,525   |
|  |                                   | 2,472,186      | 1,041,213                     | 1,041,213            | 23,918     | 74,139                         | 528,391   | 804,525   |

| Financial Assets        | Carrying Amount | -1.0%    | -1.0%     | 1.0%    | 1.0%   |
|-------------------------|-----------------|----------|-----------|---------|--------|
|                         | 8               | Surplus  | Equity    | Surplus | Equity |
| 2017                    |                 | 1000     |           |         |        |
| Cash exposed to         |                 |          |           |         |        |
| variable interest rates | 1 170 156       | /44 702/ | /11 702/  | 11 702  | 11 702 |
| and short term          | 1, 17 3, 130    | (11.137) | (761,134) | 761,11  | 701.1  |
| deposits                |                 |          |           |         |        |
| 2016                    |                 |          |           |         |        |
| Cash exposed to         |                 |          |           |         |        |
| variable interest rates | 840 466         | (8 405)  | (8.405)   | 8 405   | 8 405  |
| and short term          | 000             | (201,0)  | (001.0)   |         |        |
| deposits                |                 |          |           |         |        |

Credit Risk Exposures: The credit risk on financial assets of the Mount Hotham Alpine Resort Management Board which have been recognised on the balance sheet is the carrying amount, net of any provision for doubtful debts.

The Board's maximum exposure to credit risk at reporting date in respect to financial assets is limited to the carrying amount in the balance sheet.

Liquidity Risk: Liquidity risk arises when the Mount Hotham Alpine Resort Management Board is unable to meet its financial obligations as they fall due. The Mount Hotham Alpine Resort Management Board board is unable to make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid markets.

### Contingent assets and contingent liabilities Note 8.2

There are no unquantifiable contingent liabilities except for the following item pertaining to a lease arrangment. (2016-Nil),

During the financial year a review of the leases and contracts pertaining to the ski area was undertaken. Since 2003 the lease arrangement and other undertakings with MHSC could be considered as an onerous contract under AASB137,

The Board are currently reviewing the direct and indirect benefits under the lease to assist with implications on future disclosures to the financial statements, both from an operational financial impact and potential contingent liability provision

At this time the reliable estimate of the obligations under the contract and the economic benefits are yet to be determined and therefore no provision has been made in the accounts

There are no contingent assets (2016 Nil)

## Note 8.3 Fair value determination

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

- (i) The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and (ii) The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Board considers that the carrying amount of financial assets and financial ilabilities recorded in the financial report to be a fair approximation of their fair values, because of the financial instruments and the expectation that they will be paid in full.

# Fair value determination of financial assets and liabilities

• 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.

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

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

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

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

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

A fair value assessment is conducted annually to ensure that property, plant and equipment reflects the fair value at the end of the year. The assessment considers all fair value indicators, including land and building indices, the highest and best use

In the event that the assessment triggers a change in value, adjustments are made to reflect the fair value of the asset

3.2 Fair value determination: non-financial physical assets

| Part       | Fair value measurement hierarchy  |  |  |                  |                  |
|---|---|--|--|------------------|------------------|
| \$ 1.6mt (10) Level 200 Level 200 Level (10) Level 200 Level | 2017  | Carrying amount as at 31 December 2017 | Fair value<br>measurement at<br>end of<br>reporting period<br>using: |                  |                  |
| 30.863.206 27.888.208   |   | \$                                     | Level 1 (i)<br>\$  | Level 2(f)<br>\$ | Level 3(i)<br>\$ |
| 30,863,206   27,888,208   | and at fair value   |  |  |                  |                  |
| 30,863,206   27,888,206   | Non-specialised land  | 30 863 208                             | 27 888 208   | E I              | 2 975 000        |
| 7,125,795   1,12    | otal of Land at fair value  | 30,863,208                             | 27,888,208   | 3.0              | 2,975,000        |
| 7,125,795   7,125,795   7,125,795   7,125,795   7,125,795   7,125,795   7,125,795   7,125,795   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,039   7,129,135   7,12    | Non-specialised buildings   | 1                                      |  | •                |                  |
| 1,125,795       1 lair value     4,497,877       1 structure at fair value     4,497,877       1 lair value     7,239,039       1 lair value     7,239,039       1 lair value     7,239,039       1 lair value     1,145,244       1 lair value     1,23,164       1 lair value     1,23,164       1 lair value     1,23,164       1 lair value     1,23,164       1 lair value     1,003,902       1 lair value     1,461,306       1 lair value     1,461,306       1 lair value     1,461,306  | Specialised buildings   | 7,125,795                              |  | •                | 7,125,795        |
| at fair value 4497.877  | otal of Buildings at fair value   | 7,125,795                              | **   |                  | 7,125,795        |
| 1,239,039   | llage & Community Infrastructure at fair value Millage & Community Infrastructure at fair value                 | 4,497,877                              |  | 3                | 4,497,877        |
| 1,183,609   1,183,509   1,18    | otal of Village & Community Infrastructure at fair value  | 4,497,877                              |  |                  | 4,497,877        |
| 1,283,033   1,239,039   1,239,039   1,62,240   1,62,240   1,62,240   1,62,240   1,62,240   1,62,240   1,62,240   1,62,240   1,62,240   1,63,240   1,63,240   1,63,240   1,63,240   1,63,240   1,63,240   1,24,3    | oads & carparks at fair value   |  |  |                  | 1                |
| 1,183,509   1,18    | Roads & carparks at fair value  | 7,239,039                              | 1  | E.               | 7,239,039        |
| 3.087,000 1.183,509 1.46,244 3.047,010 1.697,010 1.697,010 1.697,010 1.697,010 1.697,010 1.697,010 1.697,010 1.697,010 1.697,010 1.697,010 1.698,121 1.298,121 1.298,121 1.298,121 1.003,802 1.461,306 1.77,329,509   | otal of Roads & Carparks at fair value  | 7,239,039                              | •  | 0.40             | 7,239,039        |
| 3,087,000 1,183,509 146,244 3,047,010 1,183,509 146,244 3,047,010 1,1897,001 1,1897,001 1,1897,001 1,1897,001 1,298,121 1,298,121 1,298,121 1,298,121 1,298,121 1,461,306 1,003,802 1,467,504 1,003,802 1,461,306 1,77,329,509  | ater Assets at fair value   |  |  |                  |                  |
| 1,183,509 1,183,509 1,183,509 1,183,509 1,183,509 1,183,500 1,183,  | Headworks   | 3,087,000                              | •  | <u> </u>         | 3,087,000        |
| 146,244   1, 146,244   1, 1697,010   1, 16    | Distribution works  | 1,183,509                              |  | •                | 1,183,509        |
| 3,947,010 1,604,942 15,205,706 1 1,5205,706 1 1,5205,706 1 1,5205,706 1 1,5205,706 1 1,5205,706 1 1,5205,706 1 1,5205,706 1 1,5205,706 1 1,5205,706 1 1,5205,706 1 1,5205,706 1 1,5205,707   | reatment  | 146,244                                |  | E                | 146,244          |
| 1,201,001   1,20    | Vater Storage   | 3,047,010                              |  | <b>■</b> 10 20   | 3,047,010        |
| 15,205,706   1   1   1   1   1   1   1   1   1  | Vater Reticulation  | 1,09,169,1                             | •  | ar a             | 1,697,001        |
| 3,689,329   | yalib   | 340,440,0                              |  |                  | 345,445,5        |
| 3,689,329 582,370 2,030,455 2,316,196 8,618,350 - 1,298,121 40,500 2,082,137 - 1,003,802 - 1,461,306 - 1,461,306 - 1,77,329,509   | tal of Water Assets at fair value   | 15,205,706                             | •  | •                | 15,205,706       |
| 1,208,122<br>2,030,455<br>2,316,196<br>2,316,196<br>1,298,121<br>40,500<br>2,082,137<br>457,504<br>1,003,802<br>1,003,802<br>1,461,306<br>1,461,306<br>1,77,329,509   | werage Assets at fair value   | 2 680 320                              |  |                  | 3 680 330        |
| 2,030,456   | allow and Davids  | 582,525                                |  | C 0              | 582,320          |
| 2,316,455<br>8,618,350<br>1,298,121<br>40,500<br>2,082,137<br>1,003,802<br>1,461,306<br>1,461,306<br>1,77,329,509   |   | 2 020 456                              |  |                  | 2 030 455        |
| 8,618,350   -   | Sewer Keliculation<br>Jitra Filtration  | 2,316,196                              |  |                  | 2,336,196        |
| 743,516   .   | ital of Sewerage Assets at fair value   | 8,618,350                              |  |                  | 8,618,350        |
| 743.516   | is Assets at fair value   |  |  |                  |                  |
| 1,298,121   | Sas Storage   | 743,516                                | •  | 3                | 743,516          |
| 40,500  | Sas Reticulation  | 1,298,121                              |  |                  | 1,298,121        |
| 2,082,137   | Sustomer Supply   | 40,500                                 | **   |                  | 40,500           |
| 457,504   | otal of Gas Assets at fair value  | 2,082,137                              | •  | •                | 2,082,137        |
| 1,003,802   | ant, Equipment & Vehicles at fair value   | 700                                    |  |                  | 102 57           |
| 1,461,306 77,329,509  | Venicles  | 457,304                                | •  |                  | 1 003 802        |
| 77,329,509  | יים אל הליים של הליים | 4 464 306                              |  |                  | 1 461 306        |
|   | otal of Plant, Equipment & Venicles at fair value   | 1,461,306                              |  | •                | 000,104,1        |
|   | oles:   | 000                                    |  |                  |                  |
|   | Classified in accordance with the fair value nierarchy, see note 1 (b)  | 600,626,11                             |  |                  |                  |

| 2016  | Carrying amount as at 31 December 2016 | rair value<br>measurement at<br>end of<br>reporting period<br>using: |                  |                  |
|---|--|--|------------------|------------------|
|   | 99                                     | Level 1 (i)<br>\$  | Level 2(i)<br>\$ | Level 3(i)<br>\$ |
| Land at fair value  |  |  |                  |                  |
| Non-specialised land<br>Specialised land                  | 30 863 208                             | - 27 888 208   |                  | - 000 520 6      |
| Total of Land at fair value                               | 30.863,208                             | 15 50  |                  | 2.975.000        |
| Non-specialised buildings                                 |  | No.  | •                |                  |
| Specialised buildings                                     | 7,215,760                              |  |                  | 7,215,760        |
| Iotal of Buildings at fair value                          | 7,215,760                              | •  |                  | 7,215,760        |
| village & Community Infrastructure at fair value          | 4 307 126                              |  |                  | 4 322 126        |
| Total of Village & Community Infrastructure at fair value | 4,322,126                              |  |                  | 4,322,126        |
| Roads & carparks at fair value                            |  |  |                  |                  |
| Roads & carparks at fair value                            | 7,239,321                              | •  |                  | 7,239,321        |
| Total of Roads & Carparks at fair value                   | 7,239,321                              |  |                  | 7,239,321        |
| Water Assets at fair value                                |  |  |                  |                  |
| Headworks   | 3,150,000                              |  |                  | 3,150,000        |
| Distribution works  | 1,219,815                              | •  | •                | 1,219,815        |
| Treatment   | 158,602                                |  | •                | 158,602          |
| Water Storage   | 3,136,543                              | •  | •                | 3,136,543        |
| Vater Netrollation  | 1,730,228<br>5,891,555                 |  | •                | 1,790,226        |
| Total of Water Assets at fair value                       | 15.346.741                             | •  |                  | 15 346 741       |
| Sewerage Assets at fair value                             |  |  |                  | 11,010,01        |
| WWTP  | 3,783,587                              |  |                  | 3,783,587        |
| Sewer Pump wells  | 602,030                                |  |                  | 602,030          |
| Sewer Reticulation  | 1,789,471                              | •  | •                | 1,789,471        |
| Ultra Filtration  | 2,435,091                              |  |                  | 2,435,091        |
| Total of Sewerage Assets at fair value                    | 8,610,179                              |  |                  | 8,610,179        |
| Gas Assets at fair value                                  |  |  |                  | ALAMONE TOWNSHIP |
| Gas Storage   | 766,773                                |  |                  | 766,773          |
| Gas Keticulation  | 1,348,048                              |  |                  | 1,348,048        |
| Customer Supply   | 41,625                                 |  |                  | 41,625           |
| Total of Gas Assets at fair value                         | 2,156,446                              |  |                  | 2,156,446        |
| Plant, Equipment & Vehicles at fair value                 | 020 201                                |  |                  | 010              |
| Verilicies<br>Dist & serilisment                          | 461,210                                |  |                  | 487,276          |
| Plant & equipment   | 820,848                                |  |                  | 850,848          |
| lotal of Plant, Equipment & Vehicles at fair value        | 1,338,124                              |  |                  | 1,338,124        |

There have been no transfers between levels during the period.

## Specialised land and specialised buildings

The market approach is used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued as at 31 December 2016. Prior to this there was no information available regarding

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 significant unobservable inputs in nature, specialised land are The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration classified as Level 3 fair value measurements. The Fair Value for the leased sites at the resort is based upon the individual site lease information. It is then assessed by determining a site value for each particular site, and calculating the present value of the income stream (the site rental), combined with the reversion of the site, based on the remaining term of the lease.

All the Board's specialised buildings use the depreciation replacement cost method, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Boards specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO for specialised land and the depreciated replacement cost for specialised buildings. The effective date of the valuation is 31 December 2016.

# Village and community infrastructure, roads and car parks, water, sewerage and gas

All village & community infrastructure, roads & car parks, water, sewage & gas assets 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 Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the buildings, roads and carparks, water,

An independent valuation of the Boards infrastructure, roads and car parks was performed by HLB Mann Judd on behalf of the Valuer-General Victoria. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 31 December 2016.

### Vehicles

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

### 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 depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 31 December 2017.

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

Plant, Equipment & Vehicles Reconciliation of Level 3 fair value movements

| 2017                                 |                 |                        |                    | Gains or losses   |              |                |           | Gains or losses recognised in other economic flows - |           |                 |
|--------------------------------------|-----------------|------------------------|--------------------|-------------------|--------------|----------------|-----------|--|-----------|-----------------|
|                                      | Opening balance | T<br>Purchases (sales) | Transfers in (out) | recognised in net | Denreciation | mpairment loss | Subfotal  | other comprehensive                                  | o to this | Clock ballace   |
|                                      |                 | \$                     | · ·                | \$                | \$           | 8              | S         | 8  | S         | Closing Dalance |
| Specialised land                     | 2,975,000       |                        | a                  | •                 | •            |                | 2,975,000 | •  | 20        | 2,975,000       |
| Specialised buildings                | 7,215,761       | 188,809                | ş <b>i</b>         | 1                 | (237,263)    | •              | 7,167,307 | (41,511)   | (41,511)  | 7,125,796       |
| Village and Community Infrastructure | 4,322,128       | 371,743                |                    | •                 | (195,993)    | *              | 4,497,878 | •  |           | 4,497,878       |
| Roads and car parks                  | 7,239,322       | 86,141                 |                    |                   | (86,425)     | •              | 7,239,038 | ,  |           | 7,239,038       |
| Headworks                            | 3,150,000       |                        | S.00               | •                 | (63,000)     | •              | 3,087,000 | •  | E         | 3,087,000       |
| Distribution works                   | 1,219,814       |                        | •                  | 9                 | (36,307)     | •              | 1,183,507 | •  | 3.0       | 1,183,507       |
| Treatment                            | 158,602         |                        | *                  | •                 | (12,359)     | i              | 146,243   |  | 7.8       | 146,243         |
| Water Storage                        | 3,136,544       | L                      | c                  | 6                 | (89,534)     |                | 3,047,011 | •  |           | 3,047,011       |
| Water Reticulation                   | 1,790,224       |                        |                    | •                 | (93,223)     | •              | 1,697,001 |  | to        | 1,697,001       |
| Drains                               | 5,891,557       | 223,319                |                    |                   | (69,932)     | (*             | 6,044,944 |  | •         | 6,044,944       |
| WWTP                                 | 3,783,587       |                        | E;                 | Ĭ.                | (94,258)     | •              | 3,689,329 | •  | 38        | 3,689,329       |
| Sewer Pump wells                     | 602,030         | 1                      |                    | •                 | (19,659)     | •              | 582,371   | •  | •         | 582,371         |
| Sewer Reticulation                   | 1,789,472       | 299,129                | 9                  | 3                 | (58,145)     | •              | 2,030,456 | •  | 313       | 2,030,456       |
| Ultra Filtration                     | 2,435,090       |                        | *                  | •                 | (118,895)    | *              | 2,316,195 | •  |           | 2,316,195       |
| Gas Storage                          | 166,776         |                        | E                  | •                 | (23,257)     | •              | 743,518   | •  | ı         | 743,518         |
| Gas Reticulation                     | 1,348,046       | 33                     | 4                  | •                 | (49,927)     | i i            | 1,298,119 |  |           | 1,298,119       |
| Customer Supply                      | 41,625          |                        | •                  |                   | (1,125)      |                | 40,500    | •  | 31        | 40,500          |
| Plant, Equipment & Vehicles          | 1,338,124       | 420,545                | •                  | •                 | (297, 362)   | 1              | 1.461.307 |  | 1         | 1 461 307       |

| ents       |  |
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| reconciliation of Level 3 rail value movements | nents           |                   | The second of the second of | The state of the s |              |                 |            |  |              |                 |
|--|-----------------|-------------------|-----------------------------|--|--------------|-----------------|------------|--|--------------|-----------------|
| 2016   |                 |                   |                             | Gains or losses  |              |                 |            | Gains or losses recognised in other economic flows - |              |                 |
|  | Opening balance | Purchases (sales) | of Level 3                  | recognised in net<br>result  | Depreciation | Impairment loss | Subtotal   | otner comprehensive income                           | Subtotal     | Closing balance |
|  | s               | \$                | s                           | Θ  | 49           | ь               | s          | 49   | s            | 44              |
| Specialised land                               | 41,857,208      |                   | (27,888,208)                |  | •            | •               | 13,969,000 | (10,994,000)   | (10,994,000) | 2,975,000       |
| Specialised buildings                          | 5,954,810       | 346,557           |                             | *  | (317,792)    |                 | 5,983,575  | 1,232,186  | 1,232,186    | 7,215,761       |
| Village and Community Infrastructure           | 3,863,197       | 446,080           | •                           |  | (161,978)    | •               | 4,147,299  | 174,829  | 174,829      | 4,322,128       |
| Roads and car parks                            | 10,630,694      | 102,083           |                             |  | (191,153)    | •               | 10,541,624 | (3,302,302)  | (3,302,302)  | 7,239,322       |
| Headworks                                      | •               | 33                |                             |  | •            |                 | •          | 3,150,000  | 3,150,000    | 3,150,000       |
| Distribution works                             | 937,906         |                   | <b>31</b>                   | 3  | (41,262)     | 9.1             | 896,644    | 323,170  | 323,170      | 1,219,814       |
| Treatment                                      | 112,920         | ja j              | ır                          | •  | (13,737)     | :1              | 99,183     | 59,419   | 59,419       | 158,602         |
| Water Storage                                  | 2,551,800       |                   | r                           | ř  | (83,216)     |                 | 2,468,584  | 096'299  | 096'299      | 3,136,544       |
| Water Reticulation                             | 897,911         | 65,925            | 10                          |  | (55,977)     |                 | 907,859    | 882,365  | 882,365      | 1,790,224       |
| Drains   | 5,627,316       | 1,832,684         | 1                           |  | (135,886)    | •//             | 7,324,114  | (1,432,557)  | (1,432,557)  | 5,891,557       |
| WWTP   | 2,368,134       | 20,900            |                             | •  | (91,413)     |                 | 2,297,621  | 1,485,966  | 1,485,966    | 3,783,587       |
| Sewer Pump wells                               | 353,606         | 61,523            | ā                           | 9  | (17,740)     |                 | 397,389    | 204,641  | 204,641      | 602,030         |
| Sewer Reticulation                             | 876,102         | 916,471           | 7                           | •  | (49,359)     | .1              | 1,743,214  | 46,258   | 46,258       | 1,789,472       |
| Ultra Filtration                               | 2,325,600       | •                 | 1                           | •  | (129,084)    | <b>A</b>        | 2,196,516  | 238,574  | 238,574      | 2,435,090       |
| Gas Storage                                    | 523,959         | •                 | ri                          |  | (27,198)     | 91              | 496,761    | 270,015  | 270,015      | 766,776         |
| Gas Reticulation                               | 401,267         | 26,527            |                             | ř  | (31,146)     | 10              | 396,648    | 951,398  | 951,398      | 1,348,046       |
| Customer Supply                                | 40,535          | .1                | 100                         |  | (1,259)      | 0.00            | 39,276     | 2,349  | 2,349        | 41,625          |
| Plant, Equipment & Vehicles                    | 1,405,117       | 272,192           |                             | 3  | (336,053)    |                 | 1,341,256  | (3,132)  | (3,132)      | 1,338,124       |
|  |                 |                   |                             |  |              |                 |            |  |              |                 |

### Investment properties

Balance at beginning of financial year

Period 1 Nov 2015 to 31 Dec 2016 2016

70,000

70,000

Fair value measurement hierarchy for assets as at 31 December 2017

|                          | Sast as as at a 31 December 2017 | Fair        | Fair value measurement at end of reporting period using: | d of             |
|--------------------------|----------------------------------|-------------|--|------------------|
|                          | 9                                | Level 1 (i) | Level 2(i)<br>\$   | Level 3(i)<br>\$ |
| Investment Property (ii) | 70,000                           |             |  | 70,000           |

## NOTE 9 OTHER DISCLOSURES

### Introduction

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

### Structure

- 9.1 Other economic flows included in net result 9.2 Reserves
  - 9.3 Responsible persons

  - 9.4 Remuneration of executives
    - 9.5 Related Parties
- 9.6 Remuneration of auditors 9.7 Subsequent events
- 9.8 Other accounting policies 9.9 Australian Accounting Standards issued that are not yet effective 9.10 Glossary of technical terms

Note 9.1 Other economic flows included in net result
Other economic flows included in net revaluation of the present value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

## Note 9.1 Other economic flows included in net result

Net gain/(loss) on non-financial assets

Net gain on disposal of property plant and equipment Total net gain/(loss) on non-financial assets Other gains/(losses) from other economic flows

Net gain/(loss) arising from revaluation of long service liability (a)

Total other gains/(losses) from other economic flows

(a) Revaluation gain/(loss) due to changes in bond rates.

| Dec 2016 | 2016 | 69 |        | 30     | (45,384) | (45,384) |
|----------|------|----|--------|--------|----------|----------|
|          | 2017 | €9 | 21,170 | 21,170 | (41,395) | (20,225) |
|          |      |    |        |        | ļ        |          |

Period 1 Nov 2015 to 31

|          |  | Period 1 Nov 2015 to 31 | 15 to 31    |
|----------|--|-------------------------|-------------|
| Reserves | 2017   | 2016                    |             |
|          | 9  | 69                      |             |
| AG.      | Physical Asset Revaluation Surplus:  |                         |             |
| Ba       | 30,742,327   |                         | 36,785,194  |
| Re       | Revaluation increments/(decrements) (ii) (41,511)  |                         | (6,042,867) |
| Ba       | Balance at end of financal year 30,700,816   |                         | 30,742,327  |
| Ne       | Net Changes in reserve (41,511)  |                         | (6,042,867) |
| (e)      | (a) The physical assets revaluation surplus arises on the revaluation of land, infrastructure and buildings. |                         |             |

Note 9.2

Note 9.3 Responsible persons In Minister for Finance under the Financial Management Act 1994 (FMA), the following disclosures are made regarding responsible persons for the reporting period.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The relevant Minister's remuneration is reported separately in the financial statements of the Department of Premier & Cabinet.

Responsible persons Note 9.3

Responsible Persons

The names of persons who were Responsible Persons during the financial year were:

Responsible Minister Hon Liliana (Lily) D'Ambrosio, MP Minister for Energy, Environment and Climate Change from May 2016 to 31 Dec 2017

Board (Key Management Personnel)

Nicole Feeney, Board Member 1 Nov 2015 to 31 Dec 2015. Chairman of the Board from 1 Jan 2016 to 31 Dec 2017. Maxine Morand, Board Member. Deputy Chairman of the Board from 1 Jan 2016 to 31 Dec 2017.

David Anstee, Board Member from 1 Nov 2015 to 31 Dec 2017.

Julia Hunter, Board Member from 1 Jan 2016 to 31 Dec 2017.

Andrew Skewes, Board Member from 1 Jan 2016 to 31 Dec 2017.

Jo Shannon, Board Member from 1 Jan 2016 to 31 Dec 2017. Stephen Clement, Board Member from 1 Jan 2016 to 31 Jan 2017. Resigned 15 January 2017.

Accountable Officer

Jonathan Hutchins, Chief Executive Offer and Accountable Officer from 1 Nov 2015 to 31 Dec 2017.

Remuneration of Responsible Persons

Remuneration received, or due and receivable by Responsible Persons in connection with the management of the Board for the financial period ended 31 December 2017 was \$291,576.

Period 1 Nov 2015 to 31 Dec 2016 2016

2017

|                           | 49             |         | 69         |   |
|---------------------------|----------------|---------|------------|---|
| Remuneration Bands        | N <sub>O</sub> |         | O          |   |
| 666'6 \$ - 0 \$           | 9              |         | 10         | ı |
| \$ 10,000 - \$ 19,999     | -              |         | -          |   |
| \$ 250,000 - \$259,999    | •              |         | -          |   |
| Total Responsible persons | 80             |         | 12         |   |
| Total Remuneration        | \$             | 291,576 | \$ 321,074 | 4 |

## Note 9.4 Remuneration of executives

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

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

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

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

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

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

There were no retirement benefits paid by the Board, in connection with, the retirement of Responsible Persons of the Board during the financial year.

## Note 9.4.1 Remuneration of executives

# Remuneration of executive officers (including Key Management Personnel disclosed in Note 9.3)

The Senior Management Team of Mt Hotham Alpine Resort Management Board includes:

- General Manager, Jenny Molloy
- Manager of Environmental & Technical Services, Tom Pelly
- Manager of Innovation & Guest Services, Kevin Raymond
- Chief Financial Officer & Property Development, Fiona Hammond

|  | 2017    |
|--|---------|
|  | 69      |
| Short-term employee benefits   | 761,732 |
| Post-employment benefits   | 70,561  |
| Other long-term benefits   | 24,845  |
| Termination benefits   |         |
| Total remuneration (a)(b)  | 857,138 |
| Total number of executives   | 12      |
| Total annualised employee equivalents <sup>(c)</sup>   | 5.7     |
| The state of the s |         |

- (a) no comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction.

  Refer to the prior year's financial statements for executive remuneration for the 2015-2016 reporting period.

  (b) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 9.3).

Note 9.5 Related parties

Note 9.5

Key management personnel of Mt Hotham Alpine Resort Management Board includes the Hon Liliana D'Ambrosio, MP Minister for Energy, Environment and Climate Change, the Board and the Accountable Officer.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The relevant Minister's remuneration is reported separately in the financial statements of the Department of Premier & Cabinet.

| Related parties | Remuneration of key management personnel | 2017    |
|-----------------|--|---------|
|                 |  | 65      |
|                 | Short-term employee benefits             | 268,159 |
|                 | Post-employment benefits                 | 23 417  |
|                 | Other long-term benefits                 |         |
|                 | Termination benefits                     | •       |
|                 | Total remuneration                       | 291.576 |

Loans: At 31 December 2017 there were no loans in existence that have been made, guaranteed or secured by the Board to a Responsible Person of the Board or a related party of a Responsible Person (2016 – nil).

## Commercial and Property Interest:

Nicole Feeney has property interests at Chalet Hotham and is a member of Anton Huette (Hotham Heights) Inc. Nicole is also a board member for the Alpine Resorts Co-ordinating Council (ARCC),

Andrew Skewes is a member of the Anton Huette (Hotham Heights) Inc.

Maxine Morand confirmed her husband was the CEO of Vic Roads.

Maxine Morand, Julia Hunter, Jo Shannon and David Anstee held no interest in property at Mt Hotham.

Jonathan Hutchins (CEO) has interests in property at Moritz. Mt Hotham and is the secretary of the body corporate. Jonathan is also the owner of Kyria Pty Ltd.

# All transactions are conducted on an arms length commercial basis between the Board and the organisations listed below. During the year, the Board received/paid the following amounts: Related party transactions

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

|                                       |                     | 31/12/2017    | 69  | a                                  | 3   |  | ,  |  | •                                  |                              |                    | ì                        | 1             | 1,325     | 1,325   |
|---------------------------------------|---------------------|---------------|-----|------------------------------------|---|--|--|--|------------------------------------|------------------------------|--------------------|--------------------------|---------------|-----------|---------|
| Conference On a cilomode the Contract | Culstanding Debtors | at 31/12/2017 | 69  |                                    | ,   | 3,068                                      | 3,038  | 3,068                                    | 10,783                             | •                            | •                  | 100                      | •             | 1,045     | 21,102  |
| i                                     |                     | Expenditure   | 69. | 366,777                            | 77,084  |  | 3,667  | •  | ).                                 | •                            | ٠                  | 12,380                   | 4,238         | 29,200    | 493,346 |
|                                       | C                   | Kevenue       | 69  |                                    | į   | 14,689                                     | 19,358   | 3,068                                    | 36,648                             | 102,245                      | 529                | 119,359                  | ·             | E         | 295,896 |
|                                       |                     |               |     | Alpine Resort Coordinating Council | Department of Environment, Land, Water and Planning | Falls Creek Alpine Resort Management Board | Mt Buller & Mt Stirling Alpine Resort Management Board | Southern Alpine Resorts Management Board | Anton Huette (Hotham Heights) Inc. | Chalet Hotham Body Corporate | Chalet Hotham # 22 | Moritz Mt Hotham Pty Ltd | Kyria Pty Ltd | Vic Roads | Total   |

## Note 9.6 Remuneration of auditors

VAGO Audit of the financial statements

30,000 7,290 **37,290** 

35,750 13,810 **49,560** 

Period 1 Nov 2015 to 31 Dec 2016

2016

2017

Total remuneration of auditors

Note 9.7 Subsequent Events
The Mt Hotham Alpine Resort Management Board was not aware of any subsequent events.

Note 9.8 Other accounting policies
Consistent with the requirements of AASB 1004 Contributions to the MHARMB are recognised as contributed capital with the approval of the Minister for Finance and when the transfer satisfies the definition of contribution by owners as per FRD119A
Transfers through Contributed Capital. Contributed capital is disclosed in the Statement of Changes in Equity.

# Note 9.9 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after the operative dates stated:

Future reporting periods
The table below outlines the accounting pronouncements that have been issued but not effective for 2016-17, which may result in potential impacts on public sector reporting for future reporting periods.

# Issued but not yet effective Australian accounting and reporting pronouncements

The table below is provided to assist entities in updating their disclosure in relation to the Australian accounting standards that are issued but not yet effective for 2016-17 in accordance with paragraph 30 of AASB 108. This disclosure should be included in the Summary of Significant Accounting Policies note of entities' financial reports.

| _ |  | 0  |  | V 1994  | - e  |
|---|--|--|--|---|--|
|   | Impact on public sector entity financial statements  | The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.  While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.                     | 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. | sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.  Sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.  Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.  No change for lessors.  Management continue to work through the financial impacts sub-leases owned by the Board will have on the statements. | The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the thing recognition of revenue will Abanda.         |
|   | Applicable for annual reporting periods beginning on | 1 January 2018   | 1 January 2018   | 1 January 2018  | 1 January 2019   |
|   | Summary  | 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. | 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.   | The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.   | This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where AASB 1058 Income of Not- for-Profit Entities the consideration to acquire an asset is significantly less than fair value to enable to not- for-profit entity to further its objectives. |
|   | Standard/Interpretation                              | AASB 9 Financial<br>Instruments  | AASB 15 Revenue from<br>Contracts with Customers   | AASB 16 Leases  | AASB 1058 Income of Not- for-Profit Entities   |

Note 9.10 Future Site Rent Lease Revenue
Crown Land is recorded in the accounts of the Board at the Valuer-General's valuation. Commitments for future rental revenue in relation to the leased sites under Section 38 of the Alpine Resorts (Management) Act 1997 are disclosed at their nominal value and exclusive of GST receivable. The leases cover periods up to 75 years and represent 87 managed
Crown leases with site holders.

| Crown leases with site holders.   | Aprile Associa (Material Act 1907 are discussed at titell Hollinial Value and exclusive of COT receivable. The is<br>Crown leases with site holders. |
|---|--|
| A series of the |  |
| Not longer than 1 year  |  |
| Longer than 1 year and not longer than 5 years  |  |
| Longer man 5 years  |  |

Period 1 Nov 2015 to 31
Dec 2016
\$
1.207,130
4,999,901
17,028,431
23,235,462

1,212,600 5,123,107 17,403,057 23,738,764

# Chairman's, Accountable Officer's and Chief Financial and Accounting Officer's declaration.

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 31 December 2017 and financial position of the Mount Hotham Alpine Resort Management Board at 31 December 2017.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate

We authorise the attached financial statements for issue on 16 March 2018.

Fiona Hammond
CHIEF FINANCIAL AND ACCOUNTING OFFICER Jonathan Hutchins CHIEF EXECUTIVE OFFICER Nicole Feeney CHAIRMAN

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