

# ANNUAL REPORT 2021





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## RESPONSIBLE BODY DECLARATION

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 31 December 2021.



**ANDREW SKEWES**  
*Chair*

Mount Hotham Alpine Resort Management Board



**AMBER GARDNER**  
*Chief Executive Officer*

Mount Hotham Alpine Resort Management Board

## ACKNOWLEDGEMENT OF COUNTRY

We acknowledge and respect the Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

# INTRODUCTION





# CHAIR & CEO'S

# COMBINED REPORT



2021 was another challenging year for Mt Hotham, as the effects of the COVID-19 pandemic continued to impact mountain operations.

**A COMBINATION OF GREATER MELBOURNE SPECIFIC AND STATE-WIDE COVIDSAFE SETTINGS IMPACTED ON BOTH THE 2020-21 SUMMER SEASON, WHEN THERE WAS REINVIGORATED DEMAND FOR OUR NATURE-BASED TOURISM OFFERING, AS WELL AS MT HOTHAM'S CORE WINTER VISITOR PERIOD.**

While the resort opened for the 2021 snow season on the June long weekend as planned, and Mt Hotham experienced some record breaking visitation early in the season, a series of peak season COVIDSafe Settings impacted trade opportunities for the Mt Hotham Alpine Resort Management Board (RMB) and mountain businesses over the course of the winter.

As such, the RMB remained reliant on State Government support in order to operate throughout 2021 and is likely to remain reliant on government funding support into 2022. The RMB worked closely with the State Government to face the challenges presented by COVID-19, and is very grateful that the financial impacts of the response to the pandemic have been mitigated to an extent by significant government financial support to both the RMB and our on-mountain operators, to meet business critical expenses and ensure ongoing operation of the resort.

In addition, in early 2021 the State Government announced that Victoria's alpine resort management boards would merge into a single new entity, Alpine Resorts Victoria (ARV). Significant support was provided across 2021 to enable this transition, and will continue into late 2022, when ARV is anticipated to commence.

The creation of ARV has the potential to address some of the key barriers that have long impacted resort growth and deliver a robust sector moving forward. The RMB has been working collaboratively with the State Government, stakeholders and staff, and will continue to do so to support the establishment of ARV and to seek strong outcomes from the process for the alpine industry.

Against this backdrop, the RMB has been driving the recovery, resilience and strategic development of the resort.

The resort has benefited from significant government infrastructure investment over 2020 and 2021 including over \$9 million of government investment across projects such as the Alpine Gateway, the Hotham Snow Play and Activity Hub, the Whiskey Flat Recreational Facility and Phase One Placemaking Works. Much of this visitor-focused infrastructure will be completed in 2023, lifting and transforming the resort offering, a change that is greatly needed.



Throughout 2022, the RMB will look to leverage this public-led investment to attract new markets to the mountain, better service existing visitors, and attract greater private investment in-resort. Within this context, the RMB will strive to deliver transformative, on-the-ground change consistent with its vision, to ensure the resort is well positioned as it moves under the management of a new entity.

The RMB Board and Executive would like to thank stakeholders for their continued commitment to Mt Hotham, and for working collaboratively with the RMB to navigate the many and varied challenges experienced across 2021.

They would also like to acknowledge the efforts of staff, who have worked tirelessly to scale resort operations and implement administrative measures in accordance with COVID-19 requirements, and effectively respond to strategic resort development opportunities as they have arisen.



A handwritten signature in dark ink, appearing to be 'AS'.

**ANDREW SKEWES**  
*Chair*



A handwritten signature in dark ink, appearing to be 'Amber Gardner'.

**AMBER GARDNER**  
*Chief Executive Officer*



A man and a woman are camping in a hammock under a large grey tarp in a forest. The woman is sitting in the hammock, wearing a white cardigan and holding a drink with a slice of orange. The man is sitting on the ground next to her, wearing a plaid shirt, brown pants, a white cap, and sunglasses, also holding a drink with a slice of orange. The background is filled with trees, some of which are bare, suggesting a late autumn or winter setting. The lighting is warm, indicating it might be late afternoon or early morning.

# ABOUT THE RESORT



# ABOUT THE RESORT



Mt Hotham is situated within the traditional lands of the Gunaikurnai and the Taungurung peoples. The importance of the Traditional Owners' knowledge of country and their connection to land is recognised by the RMB.

## MT HOTHAM

With a village elevation of 1765m and the summit reaching 1861m above sea level, Mt Hotham is the highest alpine resort and the sixth highest mountain in Victoria.

Mt Hotham is the only major Victorian resort located at the top of a mountain, allowing immediate access to the snowfields along with spectacular 360 degree views across the Great Dividing Range.

It has the largest area of advanced terrain among all Australian resorts, is easy to access in terms of parking and village transport and has consistently good snowfalls (supplemented by snowmaking), resulting in reliable conditions.

Mt Hotham is the only alpine village in the state traversed by a significant tourist road, the Great Alpine Road (GAR). This gives visitors easier access to amenities and provides an excellent start point to many of the activities on offer through the seasons. The GAR offers one of the most spectacular cycle journeys in Australia and is rated as Australia's fifth toughest road climb. The resort is also one of the lead walking destinations in Australia offering trails for all levels.

The area encompasses 3193 hectares which is mostly Crown land and its boundaries connect with the Alpine National Park, which is the largest national park in Australia. The ski field encompasses 245 hectares or 7% of the total resort area. The village covers approximately 14 hectares.

## MT HOTHAM ALPINE RESORT MANAGEMENT BOARD

Mt Hotham Alpine Resort is situated on Crown land that is managed by the Mt Hotham Alpine Resort Management Board (RMB). The RMB is a State Government statutory authority that provides a similar range of services to those provided by councils, including the management of water, waste and sewerage, and the provision of public facilities and economic development activities.





The RMB was established by Section 34 of the *Alpine Resorts (Management) Act 1997*. Consistent with the Act the RMB's core functions are broadly defined as follows:

- + Manage the resort and strategically plan for sustainable development
- + Market the resort, promoting year-round alpine experiences that increase visitation and use of commercial services
- + Attract resort investment to stimulate ongoing resort improvement
- + Maintain and preserve the unique alpine environment
- + Deliver essential resort services
- + Manage and protect the Crown asset, including granting leases and licences

The RMB sits as a portfolio entity within the Department of Environment, Land, Water and Planning (DELWP) and is accountable to the Minister for Energy, Environment and Climate Change.

### **Alpine Resorts Victoria**

In 2021 the Victorian Government announced its intention to abolish the four existing Alpine Resort Management Boards (ARMBs), Mt Hotham ARMB, Falls Creek ARMB, Mt Buller and Mt Stirling ARMB and the Southern ARMB, and establish a new statutory body corporate to be known as Alpine Resorts Victoria (ARV).

The establishment of Alpine Resorts Victoria will enable a strategic approach to best position the alpine sector to take advantage of opportunities for the development of tourism in spring, autumn and summer, and build resilience and innovation for winter while driving operational efficiencies.

The decision follows consultation with representatives of the ARMBs, the Alpine Resorts Coordinating Council (ARCC) and key industry stakeholders that demonstrated broad support for reform to create economic resilience and ensure the long-term sustainable future of Victoria's alpine resorts sector, while recognising its importance to regional local communities and the state's visitor economy.

It is expected that ARV will come into effect in late 2022.

### **Traditional Owners**

The organisation is committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.



**Values**

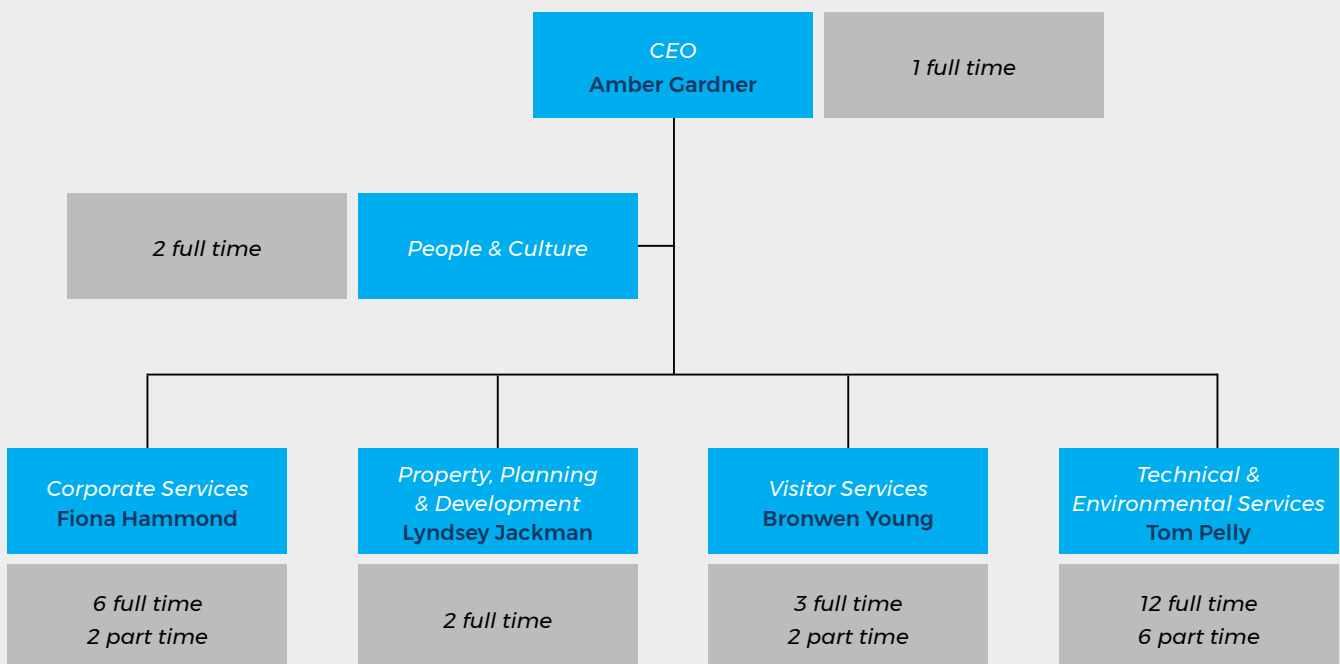
The RMB subscribes to the seven public sector values that guide the actions of all staff operating in this sector; responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

The RMB is also guided by its own organisational values that influence all its strategic and operational efforts:

- + **Innovation**  
A commitment to driving continual growth and improvements both organisationally and across the broader resort offering.
- + **Collaboration**  
Working as a strong team and collectively with Government, industry and stakeholders to achieve common resort goals.
- + **Communication**  
Maintaining timely, transparent and two-way engagement across staff and stakeholders to optimise resort outcomes.



**ORGANISATIONAL STRUCTURE**



### BOARD MEMBERS

The organisation's management structure at the start of 2021 comprised an independent seven member skill-based Board appointed by the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change. Three of these Board members were common across the northern Victorian Alpine Resorts. On 29 June 2021 Maxine Morand and Sue Lebish retired from the Board. Andrew Skewes moved to the role of Chair while Anthea Packer took on the Deputy Chair position. The current Board comprises five members.



#### MAXINE MORAND

*Chair (January 2016 – June 2021)*  
*Retired from Board – 29 June 2021*

Maxine Morand was appointed to the Board in January 2016 and re-appointed as Chair on 30 March 2018. Maxine brings extensive experience in Government, not for profit management, 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, board member of the Association of Australian Medical Research Institutes and is a graduate of the Australian Institute of Company Directors. Maxine has been a keen skier and visitor to Mt Hotham with her family for over 30 years.



#### ANDREW SKEWES

*Deputy Chair (January 2016 – June 2021)*  
*Chair (June 2021 – current)*

Andrew Skewes was appointed to the Board in January 2016 and re-appointed as Deputy-Chair on 30 March 2018. Andrew has a wide range of professional work experience, including over 12 years in Government as a Senior Executive at the Commonwealth and State levels, a consultant in his own practice and 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 holds a Bachelor of Science, a Graduate Diploma in Education and a Master of Commerce (Economics Hons 1st), all from the University of Melbourne. He is a member of Anton Huette Ski Lodge at Mt Hotham.





**ANTHEA PACKER**

*Board Member  
Deputy Chair (June 2021 - current)*

Anthea Packer was appointed to the Board on 30 March 2018. As a local, Anthea is a regular visitor to Mt Hotham on foot, bike and skis. She is passionate about regional development and sustainably growing the economic value of the alpine resorts to the north-east Victorian economy. With qualifications in Commerce, Community Development and Conservation, and nearly two decades of professional experience in public land management, she brings to the leadership team a commitment to ensure a balance between connecting communities with nature, and protection of the unique natural and cultural heritage values, within and adjoining the alpine resorts.



**MICHELLE CROUGHAN**

*Common Board Member*

Michelle Croughan was appointed to the Board on 30 March 2018. Michelle has worked in local and State Government as a planner for over 20 years, with a particular focus on the management of the planning system. Michelle was the Manager of Alpine Planning for the State Government for a number of years and over the last 15 years has spent considerable periods of time in ski resorts in Australia and Japan with her family. She is currently working as a transport planner in the Department of Transport. Michelle is a graduate of the Australian Institute of Company Directors, has an Honours Degree in Planning and Design at Melbourne University and a Diploma in Business Management at RMIT.



**HELEN MORAN**

*Common Board Member*

Helen Moran was appointed to the Board on 30 March 2018. Helen is an accomplished executive leader, possessing extensive business and commercial knowledge and expertise within the ski resort and tourism industries. Helen has a demonstrated track record of providing tangible results that positively impact on organisational performance. Helen is experienced at initiating strategic change to improve efficiency and bottom line profitability, without compromising quality of service or standards. Adept at providing leadership throughout an organisation and recognised as a strategic thinker and leader within the industry, Helen's past experience on committees and boards in the alpine resort area and generally in tourism allows her to contribute towards the future direction of Victoria's alpine resorts.



**SUE LEBISH**

*Common Board Member (Retired from Board - 29 June 2021)*

Sue Lebish was appointed to the Board on 30 March 2018. Sue has over twenty years professional and senior management experience in local Government, University, Defence and the Banking sectors. She is on the Winton Wetlands Committee of Management and is Chair of the Audit Committee for the Alpine Shire. Sue served for two years on the Board of the Falls Creek Alpine Resort Management Board. She is a graduate of the Australian Institute of Company Directors and a Certified Practising Accountant. Sue holds a Master of Business Administration, a Bachelor of Commerce, and is a Member of the Australian Risk Policy Institute. She is a keen skier who has a strong belief in the commercial, ecological and social value of the Alpine regions.



**PETER VALERIO**

*Common Board Member*

Peter Valerio was appointed to the Board on 30 March 2018. Peter has over 30 years' tourism experience in commercial and public sector roles, including General Manager of Alpine Tours International and former senior executive of the Australian Tourist Commission. He co-authored the world's first destination branding strategy and drove a united approach to tourism forecasting across Australia. He played a lead role in the post-Games strategy for the Sydney Olympics precinct and the Hong Kong Tourism Board's global marketing strategy following the handover. He is a former faculty member of Hawaii's Executive Development Institute for Tourism, has written and delivered MBA subjects in tourism planning and marketing and holds a Bachelor of Economics.



**BOARD COMMITTEES**

The RMB has three subcommittees to ensure sound governance and enable focus on strategic priorities of the organisation. All Board positions came up for re-election in mid 2021, and Maxine Morand and Sue Lebish retired, which is reflected in the sub-committee attendance data below..

**1 JAN TO 29 JUNE 2021**

**30 JUNE TO 31 DECEMBER 2021**

**Finance, Risk & Audit Sub-committee**

- + Andrew Skewes (Chair)
- + Sue Lebish
- + Peter Valerio

- + Michelle Croughan (Chair)
- + Peter Valerio
- + Anthea Packer

**People, Culture & Remuneration Sub-committee**

- + Helen Moran (Chair)
- + Maxine Morand
- + Anthea Packer

- + Helen Moran (Chair)
- + Anthea Packer
- + Andrew Skewes

**Growing Mt Hotham Project Committee  
(renamed Resort Development Committee in June 2021)**

- + Andrew Skewes (Chair)
- + Helen Moran
- + Michelle Croughan

- + Andrew Skewes (Chair)
- + Helen Moran
- + Michelle Croughan

*Table 01: Meeting attendance chart  
1 January – 29 June 2021*

Board Member	Board	FRAC	PCR	GMHPC
<i>Total Meetings</i>	4	2	2	3
<b>Maxine Morand</b>	4	NA	2	NA
<b>Andrew Skewes</b>	4	2	NA	3
<b>Anthea Packer</b>	4	NA	1	3
<b>Michelle Croughan</b>	4	NA	NA	3
<b>Susan Lebish</b>	3	2	NA	NA
<b>Helen Moran</b>	4	1	2	3
<b>Peter Valerio</b>	4	2	NA	NA

*Table 02: Meeting attendance chart  
30 June – 31 December 2021*

Board Member	Board	FRAC	PCR	GMHPC
<i>Total Meetings</i>	4	4	2	2
<b>Andrew Skewes</b>	4	1	2	2
<b>Anthea Packer</b>	4	4	2	NA
<b>Michelle Croughan</b>	4	4	NA	2
<b>Helen Moran</b>	4	2	2	2
<b>Peter Valerio</b>	4	4	NA	NA

# STRATEGIC DIRECTION





# STRATEGIC

# DIRECTION



The organisation's strategic focus for 2021 was on driving development in the resort to accelerate Mt Hotham's recovery post COVID-19 while realising strategic growth.

## VISION

To establish Mt Hotham as a lead regional tourism destination with a thriving year-round economy, delivered within an environmentally sustainable framework.

## MISSION

The RMB will build Mt Hotham's competitive advantage via new and rejuvenated infrastructure, services and experiences. This will be achieved through collaborating with public, private and community entities, and actively planning for and seeking investment in future resort growth.

Consistent with these vision and mission statements, the RMB has adopted an approach that focuses on resort revitalisation and growth by stimulating investment that is consistent with the Mt Hotham Masterplan. The Masterplan, created in consultation with stakeholders, establishes a long-term view for the development and growth of the resort and identifies five key precincts for development.

The RMB also operates consistently with the *Alpine Resorts Strategic Plan 2020-2025 (ARSP)*, an industry-wide strategy that looks to build a long-term and sustainable resort sector, along with enabling objectives required for the RMB to operate optimally.

In broad terms this includes a focus on; enabling investment, sustaining the mountain environment, improving the visitor experience, delivering efficient and effective services, and enhancing organisational capability. This annual report has been developed in a format consistent with these strategic focus areas.

**FINANCIAL SUMMARY & ECONOMIC KPIS**

Due to continuing impacts of the COVID-19 pandemic and operating under a Letter of Comfort (LoC), the operational focus was on public safety, core activities and compliance with the Chief Health Officer's directions.

Key influences on the operational result include:

- + Requirement for RMB to staff entry points to the resort and check vaccination status
- + COVIDSafe Settings caused disruptions resulting in reduced operating capacity
- + RMB's core visitor market, Melbourne, was subject to COVIDSafe Settings and unable to visit from 16 July through until well after season end
- + Melbourne visitors unable to visit the resort for a total of 80 days (71.4%) of the season including over peak periods
- + Days operational totalled 81 out of the potential 112 (72.3%)

Cash in the balance sheet includes \$3.3m funds isolated for unexpended costs associated with funded projects as disclosed at note 5.2.1 of the Statutory Accounts.

The cash flows from operating activities generated \$8.1m. A direct result of DELWP operational funding under the LoC and funding received for capital infrastructure projects. This flows through to the \$7.8m spent in investing activities.

As part of the recovery process, the RMB successfully secured funding for a number of projects within the RMB Masterplan which were shovel ready to assist in future growth. Efforts sourcing funding opportunities to support the Masterplan are ongoing. Investment in growth and visitation are necessary to ensure future sustainability and minimise climate change impacts.

<b>CUSTOMER SERVICE</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Total Visitor Days (Winter)	368,313	389,401	403,063	55,903	217,363
Market Share (Visitor Days) Victorian major resorts	26.24%	26.87%	28.25%	30.58%	32.29%
Accident Rate/'000 Visitor Days	1.4	1.2	1.5	0.48	1.09
<b>OPERATIONS</b>					
Property Revenue/FECA*	70.19	72.02	70.56	59.86	67.10
Infrastructure and Admin costs/FECA	80.19	82.72	77.58	69.58	78.56
Village, Visitor and Marketing costs/Visitor Days	11.27	10.66	12.37	55.11	22.47
<b>RESORT INVESTMENT</b>					
Total Village Size (FECA)	84,868	86,095	85,322	86,926	86,686
Total Capital Expenditure \$ ('000,000) (includes Geotech and WIP)	1.4	1.2	2.5	1.9	7.8
<b>FINANCIAL</b>					
Outstanding Debtors as % of revenue	8.90	9.32	6.41	17.68	14.98
Closing Cash \$ ('000)	4,301	5,456	5,222	3,778	3,922
Operating Cash Flow/Total Assets	1.99	2.63	3.27	0.68	7.41
Current Assets/Current Liabilities	2.66	2.91	2.39	1.34	1.12

\* FECA Fully Enclosed Covered Area



<b>FINANCIAL SUMMARY \$ ('000)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Total Assets	82,977	83,905	84,971	84,913	109,398
Total Liabilities	3,535	3,644	3,878	5,933	7,298
<b>Net Assets</b>	<b>79,442</b>	<b>80,261</b>	<b>81,093</b>	<b>78,980</b>	<b>102,100</b>
<b>Assets are comprised by class</b>					
Land	30,821	30,821	30,863	30,863	38,336
Financial	5,329	6,654	6,072	6,155	6,601
Other Non-Financials	46,827	46,430	48,036	47,895	64,461
<b>Total Assets</b>	<b>82,977</b>	<b>83,905</b>	<b>84,971</b>	<b>84,913</b>	<b>109,398</b>
<b>FIVE YEAR REVENUE AND EXPENDITURE OVERVIEW</b>					
<b>Revenue</b>					
Site Rental	1,391	1,326	1,284	271	820
Annual Service Charges	4,565	4,791	4,736	4,932	4,997
Service Charges – Infrastructure Fees	-	48	64	56	55
Visitors	3,270	3,714	3,945	459	2,415
Grants	205	162	433	264	3,938
DELWP Support Funding	-	-	-	589	3,528
Other Sources	2,113	2,816	2,793	1,020	2,128
<b>Total Revenue</b>	<b>11,546</b>	<b>12,856</b>	<b>13,255</b>	<b>7,591</b>	<b>17,881</b>
<b>EXPENDITURE</b>					
Operating Expenses	9,637	10,369	10,447	7,359	10,772
Depreciation	1,548	1,583	1,610	1,980	1,737
Finance Expenses	92	85	81	73	65
Support Payments	441	212	286	291	66
<b>Total Expenditure</b>	<b>11,718</b>	<b>12,249</b>	<b>12,424</b>	<b>9,703</b>	<b>12,640</b>
<b>NET OPERATING RESULT</b>	<b>(172)</b>	<b>608</b>	<b>831</b>	<b>(2,112)</b>	<b>5,242</b>

## THE PERFORMANCE TARGETS OF THE BOARD

	2017	2018	2019	2020	2021
<b>NET CASH FLOW</b>					
<i>Net Operating Cash flow plus Net Investing Cash Flow as reported in Cash Flow Statement</i>	492,213	2,827,559	890,905	(1,313,280)	277,861
<b>NET ACCRUAL SURPLUS</b>					
<i>Net Profit before allocation to Reserves as reported in the Statement of Financial Performance</i>	(172,691)	607,565	830,971	(2,112,317)	5,241,791
<b>BUSINESS CYCLE SUSTAINABILITY</b>					
<i>Ratio of Total Financial Assets less Net Accounts payable less Total Accrued Employee Entitlements to Snow Drought Reserve Target</i>	3.68	3.67	4.06	(13.13)	N/A
<b>ASSET CYCLE SUSTAINABILITY</b>					
<i>Ratio of Total Financial Assets less Net Accounts payable less Total Accrued Employee Entitlements less Snow Drought fund to Total Accumulated Depreciation of all Assets.</i>	0.34	0.24	0.22	(0.80)	(1.49)
<b>ALL SEASON RESORT</b>					
<i>Ratio of non winter visitors to winter visitors</i>	0.97	0.96	1.12	1.75	0.78
<b>AVERAGE WINTER SPEND</b>					
<i>Ratio of Total Revenues to Total Visitors (winter and non winter)</i>	0.84	44.11	40.87	49.42	46.15



## CONSULTANTS

There were 27 consultants engaged in projects with the RMB in 2021. The total of 19 consultancies valued less than \$10,000 was \$66,332. The following table lists the eight consultants where total remuneration was \$10,000 or above.

Consultancies	Project	No.	\$
10 Feet Tall	Creative and campaign development		68,290
ATF THE DAVERN FAMILY TRUST	Building consultation		40,000
Andrew Hogg Design	Creative and campaign development		36,850
GHD Pty Ltd	Engineering services		28,101
On Tap Consulting Pty Ltd	Leasing and property advice		26,880
Biosis Research	Project consultation		17,595
Yabbie Pond Pty Ltd	Water consultation		17,370
Stantec (formerly GTA Consultants)	Project consultation		12,000
<b>Subtotal (greater than \$10,000)</b>		<b>8</b>	<b>247,086</b>
<b>Subtotal (less than \$10,000)</b>		<b>19</b>	<b>66,332</b>
<b>TOTAL CONSULTANTS</b>		<b>27</b>	<b>313,418</b>

## MAJOR CONTRACTS

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

## ADVERTISING EXPENDITURE

The RMB's expenditure in the 2021 reporting period on government campaign expenditure did not exceed \$100,000.

## CAPITAL PROJECTS

Nil reports. The RMB did not complete a capital project in 2021 that exceeded the disclosure threshold of \$10 million Total Estimated Investment.

## ICT EXPENDITURE

*Total ICT expenditure for the 2021 period*

Expenditure Category	Description	\$
Business As Usual	Operating Expenditure	523,491
Non-Business As Usual	Capital Expenditure	44,978
<b>Total ICT</b>		<b>568,469</b>

# ENABLE INVESTMENT





**ENABLE**

**INVESTMENT**



2021 proved to be a year of significant progress towards the realisation of the RMB's development Masterplan, with the RMB securing over \$6 million in funding for projects that will drive visitation year-round and stimulate further investment in the resort.

Funding secured over 2020 and 2021 has enabled cornerstone developments in two of the five activity precincts identified in the Masterplan (Whiskey Flat and Wire Plain) and also at the Loch Carpark, the latter of which will enable the Hotham Central precinct to be developed.

These ambitious projects will expand visitor facilities including car parking, add new recreation and sports precincts, provide accessible facilities and develop additional retail outlets.

Development efforts were challenged somewhat by COVIDSafe Settings in the construction industry, COVID-19 related internal and external workforce impacts, and extremely wet weather that limited the summer build window. However visible and positive progress was made and visitors in 2022 will be able to take advantage of a much invigorated resort environment.

#### **ALPINE GATEWAY**

In 2020 the RMB secured \$4.2m toward the development of the Alpine Gateway. Funding was made available through the Crisis Council of Cabinet's Infrastructure Stimulus Fund, administered by the Department of Jobs, Precincts and Regions. Onsite project works commenced in January 2021.

This new infrastructure will provide a year-round visitor facility and multi-level car park at the current Loch Car Park site. In the winter this will offer guests significantly improved parking options with direct all-ability access to the ski fields. In the summer it will operate as the trailhead for a number of iconic walks including the Falls to Hotham Alpine Crossing.

In 2021 Disabled Wintersport Australia (DWA) came on board as a stakeholder in the project and secured a grant of \$245k for accessibility augmentation from the Commonwealth Department of Industry, Science, Energy and Resources on behalf of the Department of Infrastructure, Transport, Regional Development and Communications. This will enable the facility to provide for the needs of the DWA program and their members year-round.

The multi-level car park structure is on track to be completed prior to the 2022 winter with some car parking available. Construction of the Alpine Gateway is expected to continue during the 2022-23 construction period.

**HOTHAM CENTRAL PRECINCT**

The Alpine Gateway project serves as a development enabler for the Hotham Central Project, moving vehicles out of the Corral Car Park site to allow development at that location.

The Hotham Central Precinct will centralise a revitalised commercial and administrative offering in a new Village hub. It will markedly improve the urban form and visitor experience offered at Mt Hotham and support effective place-making for the local community.

A land release campaign scheduled for 2022 will make available a limited release of development sites within this area. The RMB welcomes development partnerships which enhance the visitor experience.

In alignment with this project, in 2021 the RMB secured a \$480k grant as part of the State Government's Investment Fasttrack Fund to scope the Hotham Business, Visitor and Community Centre. This project will design a new facility to sit adjacent to the private development in this Precinct, centralising public amenity and a new range of business and visitor services within the one building. This work will then support efforts to secure implementation funding. The RMB is currently seeking Ministerial approval for the land release.

**WHISKEY FLAT ALPINE RECREATIONAL FACILITY**

The RMB secured \$800k in 2021 towards the Whiskey Flat Alpine Recreation Facility under the Local Sport Infrastructure Strategic Facilities Fund administered by Sports and Recreation Victoria.

Work commenced at the site in October 2021. This project will deliver a new accessible, multi-purpose public facility incorporating community space, a public shelter, flexible meeting rooms, change rooms, toilets and showers, storage space and basic kitchen facilities to provide catering options for groups and events.

Australia's only biathlon shooting range is located at this site, so this new development will be instrumental in positioning Mt Hotham as the lead biathlon training site in the southern hemisphere. Within this context, the RMB has worked closely with the Australian Biathlon Association in the project planning phase.

This facility will also provide year-round benefits to visitors, from cross country skiers in winter through to hikers and cyclists during the warmer months. The new infrastructure will be environmentally sensitive using insulation, water saving and re-use measures and efficient lighting control to minimise energy and water consumption.

Civil works commenced in October 2021 to construct the building pad and install drainage at the site. The open tender process resulted in Midson Construction receiving the contract and they took control of the site in mid November, commencing construction of the building. Slab and structural steelwork was completed at the end of 2021. The works are on schedule for the facility to be operational during winter 2022.



**WIRE PLAIN SNOW PLAY AND ACTIVITY HUB**

Consistent with the Mt Hotham Masterplan, the RMB plans to develop a new recreation and tourism precinct via the implementation of a Snow Play and Activity Hub at Wire Plain. Central to this development is a new facility that will include a day centre with public amenities, a food, beverage and retail offering, commercial activity counter and space that can be utilised for year-round events and functions.

Through this project, the RMB is also looking to develop the winter activity offering that surrounds this facility to offer a holistic destination experience. This includes implementing a snow play park, snow-tubing, magic carpet and snow making.

In summer, the Hub will support green-season activation, providing a natural launching point for a different range of recreational activities like hiking and biking supported by new tours and rentals. It will also be used for summer concerts, private functions and environmental programs for school, community and special interest groups.

In 2021, the RMB secured \$2.5m from the Federal Government's Local Economic Recovery (LER) program for bushfire recovery, to deliver phase one of the project.

Throughout the year, significant resourcing was dedicated to planning for this project, with a current planning permit application pending.

Associated works with the development includes improvements to traffic and transport arrangements, landscaping design, cultural heritage management plan and environmental impact assessments. The RMB continues to investigate feasibility of snowmaking at the precinct and definition of surrounding activity areas.

Additionally, at the end of 2020 Alpine Nature Experience secured grant funding of \$189k through the Bushfire Recovery Local Community Project Grants for track and trail upgrade works at Dargo Lookout and Possum Flat via a grant auspiced by the RMB. These works will provide improved access to the trail network both summer and winter and will align with the proposed development of the Snow Play and Activity Hub at Wire Plain and are expected to be completed in 2022.

**MT HOTHAM VISITOR ECONOMY GROWTH AND RESILIENCE PROJECT**

In 2021, State Government committed \$2.8m to the RMB for the Mt Hotham Visitor Economy Growth and Resilience Project. This project comprises a package of works that includes three key components: marketing, product development and resort placemaking.

This package has been developed to drive year-round visitation and yield opportunities for the resort, accelerating its recovery and stimulating strategic growth. This project will deliver immediate economic uplift to help businesses recover from the impacts of COVID-19 along with creating new sources of competitive advantage to support long-term sustainability.

The largest component of this project is the Phase One Placemaking initiative, which aims to improve the sense of arrival by enhancing the resort gateway aesthetics between the Hull Skier Bridge and Zirky's. Planning for this project commenced in 2021 and will be implemented in 2022.

# PROTECT THE ENVIRONMENT





# PROTECT THE ENVIRONMENT



As a premier Australian alpine tourism destination, the RMB is committed to understanding and minimising the impact of resort activities on the environment with particular regard to sensitive areas within and adjacent to the resort.

While working to ensure efficient management and provision of services in-resort the RMB maintains its focus on sustainable environmental management practices to protect and, where possible, enhance natural values across the resort.

The RMB has a commitment to comply with relevant legislation and policy requirements.

To achieve this aim the RMB:

- + Adopts, implements and reviews an Environmental Management System (EMS) that complies with governmental standards
- + Assesses and monitors environmental risks and impacts of RMB activities, operations and infrastructure
- + Addresses risks and indirect impacts of external stakeholders, operators and visitors to the resort where appropriate
- + Seeks to minimise consumption of water and energy and reduce waste generated from resort activities and operations
- + Seeks to educate stakeholders, operators and visitors on the environmental significance of the resort
- + Ensures stakeholders and operators consider and appropriately mitigate against risks and impacts to the surrounding environment

- + Communicates environmental performance within RMB annual reporting
- + Continually strives to improve environmental performance outcomes

In 2021 the RMB undertook the three year review of the Environmental Management Plan (EMP) which was endorsed by the Board during 2021. The revised version sets organisational objectives and targets for the 2021-24 period.

Link to the [Environmental Management Plan](#)



**CLIMATE CHANGE**

Climate change continues to be a core focus of the RMB in line with the requirements outlined in the *Climate Change Act 2017*. The potential impact on natural snowfalls is a major consideration for future winters along with bushfire mitigation on summer operations. Climate related risks and opportunities and/or impacts are being incorporated into the RMB's strategic planning in line with the 2020 Ministerial Direction and *Alpine Resorts (Management) Act 1997*.

It is the role of the RMB to ensure that management is effectively addressing key areas of climate change risk, and that risk management is effectively embedded into governance processes at an operational level.

The Finance Risk and Audit Committee (FRAC) as the Committee delegated to monitor risk, receive quarterly reports from management on major risks with a high mitigated risk rating and any material change to these risks once identified. This includes climate change risks, impacts and vulnerabilities on the built and natural environment.

The RMB is continuing to assess climate change risk as a factor on all risk assessments where appropriate. Management formally reviews all risks twice a year and make recommendations to FRAC. Management is also notified of changes to risk profiles on a real-time basis.

**Climate risk adaptation measures and investment strategies**

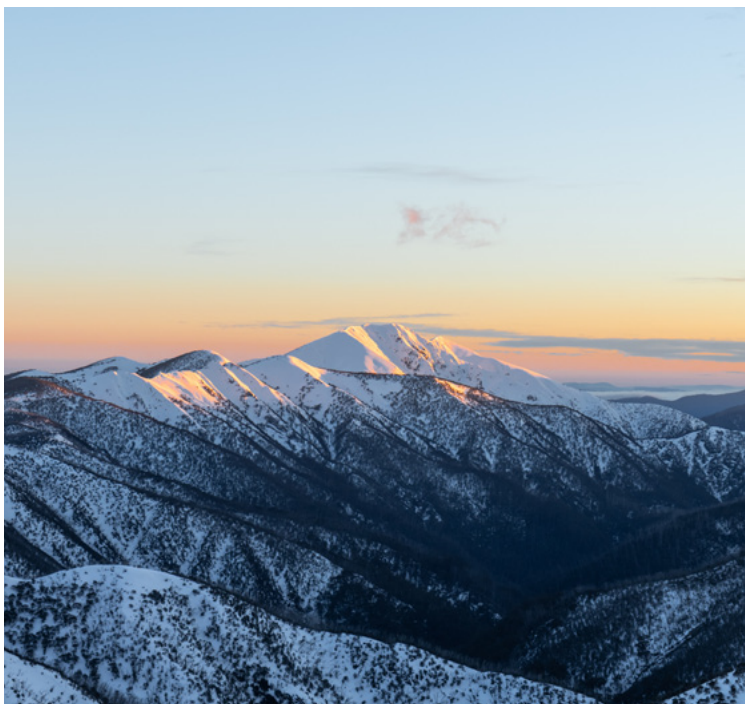
The RMB is actively working on managing the economic, social and environmental impact to the resort viability due to climate change. Measures being investigated include use of alternative energy sources, improved water recycling at the resort's Class A facility, and developing public/private partnerships to maintain the resort's sustainable environmental assets.

**Climate change risk scenario analysis**

RMB commenced future scenario planning in 2021. The budget setting process includes four varying capacity scenarios and impacts on the budget. Each of these capacity scenarios are driven by COVIDSafe Principles and/or poor-quality natural snow.

**Emissions reductions**

Winter 2021 saw an increase in resort visitors compared to the four-day lifted operating period of 2020, greenhouse gas emissions also increased to levels in alignment with previous seasons.



*Table 03: Greenhouse gas emissions – MHRMB's operations*

	2018	2019	2020	2021
<b>Electricity (Tonnes CO2-e)</b>	1142.89	1047.96	834.35	1108.96
<b>Diesel (Tonnes CO2-e)</b>	544.66	533.28	247.44	446.61
<b>ULP (Tonnes CO2-e)</b>	28.60	31.83	18.50	24.64
<b>LPG (Tonnes CO2-e)</b>	239.94	211.19	184.95	127.15
<b>Total (Tonnes CO2-e)</b>	1956.08	1824.26	1285.24	1707.35

Table 04: Climate change metrics

THEME	METRIC	UNIT
Tourism – Winter	Declared snow season	114 days
	Visitor days	217,363 days
	Visitors	80,191
	Maximum natural snow depth and date	140cm, 5 August 2021
	Total accumulated snowfall	365 cm
Tourism – Summer	Visitors (includes through traffic)	170,092
Tourism – all season resort	Total annual visitors	250,283
	All-season resort index (ratio of non-winter visitors to winter visitors)	2.21:1
Sustainability – Water	<b>Potable water consumption:</b>	
	a) Winter total potable water usage	39.8 ML
	b) Annual total potable water usage	65.3 ML
	c) Winter total potable water usage/visitor	496.3 L/person
	Recycled water produced	8.7ML
	Statutory Compliance	100%
Sustainability – Energy	Renewable energy consumption by Board	0%
	<b>Greenhouse Gas Emissions – by fuel type (carbon dioxide equivalence)</b>	
	a) Electricity	1108.96 CO2-e tonnes
	b) LPG	127.15 CO2-e tonnes
	c) Diesel	446.61 CO2-e tonnes
	d) Unleaded Petrol	24.64 CO2-e tonnes
<b>Total</b>	<b>1,707.35 CO2-e tonnes</b>	

### Habitat improvement works

The environment team continued habitat improvement works including revegetation, weed and predator control.

The RMB was successful in receiving funding for the restoration of boulderfield habitat at the historic quarry site through the Bushfire Recovery for Species and Landscapes Program, supported by the North East Catchment Management Authority. Weed control works have begun on the site and placement of rock habitat is planned for early 2022.

Revegetation works were undertaken at the Little Higginbotham Mountain Pygmy-possum Tunnel site to provide additional food. Funding was provided by Zoos Victoria's 'Totes for Wildlife' program. Further revegetation was carried out at the Edelweiss sewer line to reinstate vegetation post-construction with seed free straw and jute mat laid to stabilise the ground.

The verges on a four kilometre stretch of the Great Alpine Road within the Village were sealed to reduce sedimentation impacts on Mountain Pygmy-possum habitat. Notably, these works incorporated a crushed glass material that the RMB produced on-site with its glass pulveriser, finding an innovative and market leading approach to recycling waste discarded in-resort. This has been completed ahead of the 2023 deadline.

### Pest and predator control

In 2021 the RMB completed two three-year Biodiversity Response Planning (BRP) programs (in conjunction with Falls Creek RMB and Parks Victoria) which focused on pest, weed and animal control.

Experienced contractors dedicated over 250 hours to control Willow and English Broom within waterways and Mountain Pygmy-possum habitat across 504 hectares. Pest predator control is informed by an extensive monitoring program which utilises remote sensing cameras to monitor activity across tracks and trail networks.

Through the Regional Land Partnerships (RLP) funding program, RMB developed the Mountain Pygmy-possum (MPP) Recovery in the Victorian Alps Project. In 2021, year three of this project, RMB focused on pest predator control targeting cats and foxes.

### Victorian Alps Nursery

The Victorian Alps Nursery is a unique operation specialising in propagating and producing alpine flora for use by multiple clients. It plays an important role in preserving local indigenous flora, propagating a large variety of alpine and sub-alpine species for rehabilitation and restoration projects.

Larger projects delivered in 2021 include the production of 15,000 plants for the second year of plant supply for the Mt Buller Water Security Project to rehabilitate the dam wall (a 10-year project) and the supply of 10,000 seedlings to DELWP for revegetation of a cleared pine plantation site at Reform Hill, Myrtleford.

North East Catchment Management Authority in conjunction with the Alpine Shire ordered 7,000 seedlings for revegetation, following works on the newly completed Great Valley bike trail, Bright to Harrietville, also supporting their Blackberry, Willow removal and riverbank stabilisation program.

The restoration project which will commence in early 2022 at the historic Mt Hotham quarry site required production of 4,300 plants which will provide habitat and food resources for the Mountain Pygmy-possum.





# ENHANCE THE VISITOR EXPERIENCE





# ENHANCE THE VISITOR EXPERIENCE



The RMB has worked to deliver engaging visitor experiences and operations within COVIDSafe Settings, supported by strong efforts to drive demand.

The RMB is responsible for driving positive visitor economy outcomes for Mt Hotham through the delivery of a compelling resort experiences. It is responsible for products such as the cross country skiing trails, walking tracks, snow play and tobogganing, and visitor services including resort entry, village transport, ski patrol and year-round tourist information. It also oversees destination marketing and communications, generating awareness for the resort offering and motivating visitation.

Visitor experience priorities include:

- + Ensuring current resort services and operations are fit for purpose and meet visitor expectations
- + Working both independently and with mountain businesses to scope new tourism products and experiences that meet the needs of current and potential visitors
- + Ensuring guests are able to easily access the information and services they need to visit and enjoy the resort
- + Providing a seamless and safe experience when using RMB-provided services and accessing areas controlled by the RMB
- + Developing inspiring year-round marketing programs that promote the offering, motivate travel and inspire brand loyalty

## VISITATION AND COVID-19

Summer 2020-21 was hampered by a resurgence in COVID-19 that impacted visitation, despite pent up demand for the type of nature-based experiences Hotham had available.

For winter 2021, Mt Hotham was able to open on the June Queen's Birthday Long Weekend but was challenged by a series of COVID-19 related events that once again significantly impacted resort operations. This included:

- + State-wide COVIDSafe Settings that resulted in the resort being closed to all visitors for a period of 32 days, primarily in the peak winter period of July/August
- + Extended Melbourne COVIDSafe Settings that inhibited travel, which meant that the resort lost its core visitor market for 48 days, limiting trade opportunities
- + COVIDSafe Principles requiring visitors to have undertaken a COVID-19 test and received a negative result within 72 hours of arrival, and off-mountain staff required to undertake the same process on a weekly basis for a certain period

Considering that the season traditionally covers 105 days of operation (from the Friday of the June long weekend until the Sunday of the first weekend in October) these disruptions significantly impacted operations.

The RMB developed a comprehensive COVIDSafe Plan to guide its operations when the resort was open, ensuring that it could offer a safe and appropriate mountain experience in alignment with health directions.

**Capacity Management and COVID-19 Compliance**

Due to the COVIDSafe Principles there was uncertainty and complexity regarding capacity management and the impact on visitors to Mt Hotham. The RMB was required to adhere to the public health directives of the Chief Health Officer, Department of Health and additional operational guidance of DELWP to ensure public safety. The Visitor Services team was responsible for implementing and staffing check points at both resort entry points, monitoring compliance with visitation restrictions on certain Local Government Areas (LGAs) and the requirement for current negative COVID-19 test results. This was a significant undertaking, however overwhelming feedback from visitors and locals was complimentary of RMB efforts to keep everyone at the resort safe.

This uncertainty prevailed throughout the season with the whole of Victoria entering COVIDSafe Settings in mid-July, which metro Melbourne was not released from until after the snow season had concluded. A number of regional LGAs experienced rolling COVIDSafe Settings throughout winter adding considerable administrative effort to managing sales and refunds of resort entry permits.

Table 05: Visitation data from ARCC (summer and winter YoY)

	Summer Visitors	Winter Visitors	Visitor Days
2021	170,092	80,191	217,363
2020	97,693	21,717	55,903
2019	171,373	152,907	403,063
2018	142,612	148,848	389,401
2017	144,871	149,826	368,313

**MARKETING AND PROMOTION**

**Marketing Partnerships**

2021 saw the RMB continue to develop valuable marketing partnerships with key resort stakeholders to maximise use of RMB resources and extend the reach and impact of marketing activities.

The Hotham Community Marketing Committee (CMC) is a critical liaison point between resort management and business operators. In 2021 the Committee provided input into strategic direction along with feedback on the development of marketing campaigns and events. This strengthened the brand message across the resort’s marketing activities.

Through the Tourism North East (TNE) Snow Victoria campaign ‘Everything you need to snow’, Mt Hotham communicated key COVID-19 safety messaging to a wide audience, with a reach Mt Hotham could not achieve alone. To support summer marketing, the RMB also partnered with TNE on an Alpine Peaks campaign, the Walk High Country Festival and a range of Ride High Country initiatives.

**Three-Year Strategic Marketing Plan**

In 2021 the RMB Corporate Plan recognised that to drive economic growth in the resort a strategic product development and demand-driving program was required across both summer and winter, directing targeted marketing and communications efforts, led by a strong and unified brand.

The *Three-Year Strategic Marketing Plan: Summer 2021/22 - 2023/24* was developed and implementation commenced in November 2021.

The Plan focuses on the resort’s competitive strengths, which will position Mt Hotham as the lead walking destination in the State and a category leader in road cycling.

Following the development of the summer strategy, the RMB commenced work on the three-year winter strategy, which will be completed at the start of 2022.



**Website**

Managed jointly with Mt Hotham Skiing Company, the [mthotham.com.au](http://mthotham.com.au) website saw exponential growth in audience, sessions and unique visits from 2020 to 2021. This is mainly due to the low numbers seen due to the effective cancellation of the 2020 season. When compared to 2019, data remained comparative, a good result given the stop/start nature of the season.

*Table 06: Web visitor statistics*

	Users	Page views	Sessions
2019	636,701	2,693,533	1,373,782
2020	262,358	1,465,924	652,481
2021	442,124	2,432,132	1,111,781

**Public relations and media hosting**

PR and media activity was interrupted in 2021 by COVIDSafe Principles that prevented media travelling to the resort. However, during breaks in restrictions several high value media visits were hosted in both winter and summer. In addition, a live cross was facilitated from the Today Show during winter featuring local businesses to a national audience.

The RMB also provided a significant amount of content to print and online media outlets. It is notable that 2021 media interest in winter activities tended to focus on non-skifield activities, reflecting an interest in a broader experience at the snow. This provided opportunities to showcase the activity providers who are expanding the resort’s winter offerings.

Media was facilitated on the RMB’s glass recycling and pulverising initiative, which generated strong radio, television and online coverage in the region. Planning has commenced for a stronger PR and media focus on the resort’s environmental credentials and activities, which is expected to be implemented in 2022.

**WINTER 2021 MARKETING**

In recognition of the need to transfer from outdated branding and positioning, and with the ever-present challenges presented by the COVID-19 landscape, the strategic approach for Winter 2021 was one of repositioning, bringing the marketing focus to a broader audience.

The RMB took a simplified approach to marketing creative in 2021, focussing on the key attributes and competitive differentiators of the resort using the ‘Peak’ taglines, which focused on Mt Hotham’s ‘peak’ attributes of being located at the top of a mountain unlike other resorts, and offering unique experiences not available anywhere else in Victoria.

A number of marketing initiatives including social media, events, paid media and PR were delivered, however due to the restriction to travel imposed by COVIDSafe Settings, activities and campaigns were scaled back, cancelled or shifted to open markets (notably regional Victoria).

The RMB’s paid media campaign commenced in late May and was immediately required to ‘pivot’ market focus, due to Melbourne metro COVIDSafe Settings. The campaign subsequently targeted regional audiences for the majority of the season, with a strong Spring push. A range of channels including regional TV, radio, billboards, digital, broadcast video on demand, search, YouTube and display were utilised. The campaign met or exceeded benchmarks on all metrics.

**Resort Entry Permit sales**

2021 resort entry permits were available from early April with the RMB experiencing strong sales and high demand for season permits in particular.

Permit sales in July continued to be very strong as all Victorians were able to travel freely within the state. The July school holidays were an exciting and busy time with visitation up approximately 40% on the same time in 2019, coupled with reasonable snow conditions, even though not all terrain was open or all lifts turning.

**WINTER VISITOR SERVICES AND COMMUNICATIONS**

Winter visitor services were defined by the stop/start nature of the season and the need to provide timely and accurate information to stakeholders and guests around COVIDSafe Settings and the operational implications for the resort.

When the resort was open to everyone, communications focused on ensuring guests had a safe and enjoyable visit during peak times, providing advice on planning in advance and booking early. Several communications pieces were developed to enhance the visitor experience including an updated Visitor Access Guide and Map, and a bi-weekly 'What's On' summarising venues and activities in resort.

The road was impacted occasionally by heavy snowfalls. This required communication to the Mt Hotham community and visitors to minimise any inconvenience. There was one total road closure for the season. VicRoads closed the road under the new severe weather protocol on Saturday 24 July and reopened the road on the morning of Monday 26 July. However this occurred during a period of COVIDSafe Settings for Victoria so the overall impact was minimal.

**Transit Operations**

Alpine Spirit delivered intra-village transports services throughout winter 2021, working closely with RMB to meet the evolving COVID-19 requirements impacting resort access and operations. While the provider was challenged by COVID-19 related workforce issues, varying passenger levels and strict compliance, the operator maintained a strong commitment to delivering a quality service to resort guests.

**Events and Activities**

All events were cancelled through the winter due to COVID-19 except for one fireworks display.

**Cross Country Skiing**

Interest in cross country skiing continued to be strong throughout 2021. Similar to 2020 and mostly as a result of COVID-19 limitations, no cross country events were held during 2021. However on-mountain operators were able to provide tour services.

**Tobogganing and Snow Play**

Although snow conditions for 2021 were superior to 2020, the snow play area struggled to catch or hold adequate cover to enable a full snow play offering for the span of winter. Wire Plain independent operators continued to offer services as conditions permitted, including snowshoe tours, snowmobile tours, and Eco-Village food and accommodation experiences.

Mt Hotham experienced a strong increase in visitors seeking snow play activities and the Visitor Services team was tasked with monitoring and overseeing the toboggan slope ensuring compliance with capacity management and contact tracing to support the operators at Wire Plain.

**SNOW CONDITIONS**

It was an above average winter for natural snow, complemented by favourable snowmaking conditions during June and early July. Good natural and machine-made snow cover enabled several lifts to be running from opening weekend until the final week of the season, excluding COVID-19 related resort closures.

**2021 SNOW STATISTICS**



**Accumulated Snowfall:** 365cm  
(Approximate 10 year average – 290 cm)



**Biggest Base Depth:** 140cm  
(August 5)



**Biggest 24 Hour Snowfall:** 36cm  
(July 17)



**Biggest Storms:**  
63cm (July 13-18)  
59cm (July 23-29)



**Total Snowfall Days:** 44



**Total Rain:** 350mm (approximately)  
**Rain Days:** 19 (approximately)

**Ski Patrol**

With expectations for a busier than usual winter, additional staff were recruited for ski patrol and the mountain safety team for the 2021 season. The number of callouts in the first five weeks before the first resort closure were higher than all previous years for the same period. This was on track to break all past seasonal records.

The ski lifts were operational for approximately 70% of the official season however the COVIDSafe Settings for Melbourne and interstate guests significantly reduced visitation, which meant fewer ski patrol callouts over the whole season. Most of the paid patrol staff were locally based and available as required but a significant percentage of the volunteer staff were Melbourne-based so unable to travel to Mt Hotham. Fortunately, there were sufficient staff numbers working each day to scale with demand.

During the COVIDSafe Settings period, ski patrol maintained a skeleton staff to ensure on-slope safety equipment was maintained and assistance was available for the Mt Hotham residents who continued to use the terrain for their daily exercise. The patrol responded to several incidents within the ski area and the nearby back-country during the resort closures.

The resort closures also provided the patrol with a unique opportunity to facilitate training scenarios while there was a mid-season snowpack. Rope rescue, steep snow and ice skills and avalanche rescue were the focus.


Avalanche hazard mitigation was required on approximately seven days for the winter. No avalanche accidents were reported. Back-country skiing and snowboarding has grown exponentially. Fortunately, no major incidents were reported. The Mt Hotham website has a Daily Back-country Conditions Report and the ski patrol have developed safety signage for strategic locations across the resort. The patrol helped facilitate the production of a Back-country Safety film for Australian Ski Patrol Association, to be released in 2022.

**SKI PATROL CALLOUTS**

- 

**535 callouts for the winter**

  - + Approximately 50% required further treatment at the Medical Centre
  - + Approximately 40% of total callouts were during the first 5 operational weeks
- 

**There were no life-threatening injuries or medical conditions**  
None required helicopter evacuation
- 

**There were 3 non-critical toboggan incidents within the village area**  
None were reported at any of the managed toboggan slopes.
- 

**There were several callouts to the nearby back-country terrain**
- 

**There were no prolonged searches**
- 

**3 incidents required rope assisted extraction from extreme terrain**







### SUMMER MARKETING, VISITOR SERVICES AND DEVELOPMENT

The resort hosted several events during the 2021 summer period including the Rock 'n' Roll rehab at The General in February; a weekend of High Country highlights (Hedonistic Hiking) in March, the Great Southern Endurance Run in November, and the self-paced 7 Peaks Ride which started in October and runs until April.

#### Summer Activities

Mt Hotham has some of the most desired and inspiring nature-based tourism assets in the state. The Falls Creek to Hotham Alpine Crossing and the Razorback to Feathertop walks are iconic in their own right, and in the cycling space, the Great Alpine Road (GAR) hill-climb is placed in the top five most challenging climbs in Australia.

The RMB has initiated several key walking, hiking and cycling projects to support the visitor experience and enhance yield opportunities for businesses around these key assets.

#### Walking/hiking

- + To harness the current walking tourism opportunity, the RMB is developing a Walking Tourism Masterplan and Business Case to guide product development including the on-the-ground walking experience and the commercial activation required to optimise visitor economy growth

- + To enhance walking tourism the RMB ran free shuttles on key long weekends between the village and Diamantina Hut, the trailhead for several key walks
- + With support from Tourism North East, the RMB developed two new resort products, Alpine Nature Experience's (ANE) 'Hike and Feast' and 'Where There's a Grill There's a Way' (ANE and Alpine BBQ)

#### Cycling

- + The current focus in the cycling space is on leveraging events and marketing opportunities to promote the road climb
- + A new cycling product through Alpine Nature Experience is currently in development
- + Work with Regional Roads Victoria is ongoing to advocate for improvements to the road surface and safety for cyclists
- + The challenge for the RMB is to convert current significant visitor numbers to yield through targeted product development

#### Family-friendly Activities

Mt Hotham's passive summer family experiences continued to be maintained throughout the green season. This included the Zoo Cart park, the playground, the trampoline, the pump track and the petanque pitch.



# EFFICIENT AND EFFECTIVE SERVICES



# EFFICIENT AND

# EFFECTIVE SERVICES



The RMB acts as the Crown's representative for leasing and other land management functions, including planning. It is also the service provider for LP Gas, drinking water and waste water at the resort, and is responsible for municipal emergency management.

## PROPERTY, PLANNING AND DEVELOPMENT

During 2021, the RMB worked with the State Government to support commercial leaseholders who had suffered economic losses due to COVID-19 impacts. In alignment with the State Government's Commercial Tenancy Relief Scheme, the RMB was able to offer rent relief for commercial head lessees for the period 26 July 2021 to 15 March 2022.

### Leasing

The Alpine Resorts Coordinating Council commenced a review of the 2002 Alpine Resorts Leasing Policy in 2019. Due to the impacts of COVID-19, the review and implementation of the revised policy has been delayed. While the Policy review is still underway, leasing at Mt Hotham continues to be administered under the 2002 Policy which can be found at:

[arcc.vic.gov.au/uploads/publications-and-research/AlpineResorts-LeasingPolicy.pdf](https://arcc.vic.gov.au/uploads/publications-and-research/AlpineResorts-LeasingPolicy.pdf)

### Building Services

Building inspections are carried out on a triennial basis in line with the tenant's lease. The inspection program focuses on ensuring existing buildings achieve a satisfactory level of fire and life safety, building standards of occupancy and bushfire compliance. During the inspection process, the Fully Enclosed Covered Area (FECA) of all buildings is measured for rating purposes.

Under the *Building Act 1993 s212*, the RMB has a legislative obligation to administer the provisions of the Act, the Building Regulations 2018 and the Building Code of Australia within its area of jurisdiction. These services are carried out by 3 Peaks Building Permits & Consultants to fulfil the role of Municipal Building Surveyor and undertake legislated responsibilities on behalf of the RMB.

A total of 21 premises including numerous apartments were inspected in 2021, in line with COVID-19 guidelines at the time of the inspections. Most issues identified related to minor deficiencies in smoke and alarm system testing, smoke detector location, balustrade height requirements, bushfire compliance and current evacuation plans and fire orders.



**Compliance with Building Act**

The RMB owns or controls 17 government buildings located throughout Mt Hotham Resort and Bright. The RMB is required to include a statement on its compliance with the building and maintenance provisions of the *Building Act 1993* in relation to those buildings.

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

In relation to existing buildings, RMB’s Property, Planning and Development Department is responsible for ensuring mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and monthly and annual fire service audits.

In 2021, there were no significant changes to any RMB owned or controlled buildings. All buildings continue to comply with the *Building Act 1993*.

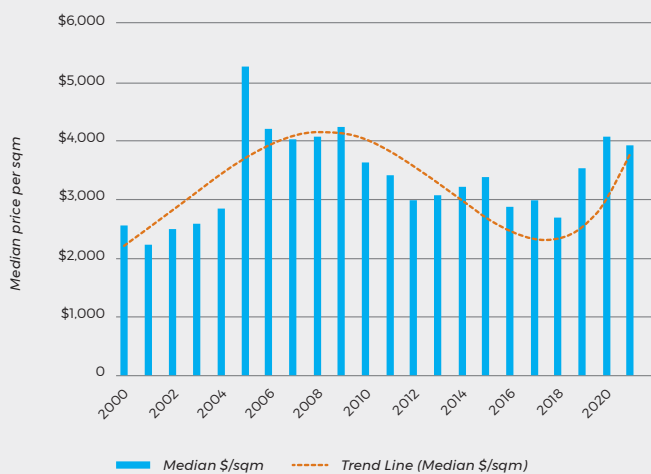
**Property Sales**

In 2021, the volume of property sales increased by 41%, which can be attributed to the impacts of COVIDSafe Principles and the associated domestic and global tourism impacts driving demand for alpine property.

Transactions in 2021 totalled \$26,185,500, compared with \$8,035,166 in 2020. The median price for property transactions for 2021 was \$410,801, representing an average unit price of \$3,918m<sup>2</sup>.

The turnover in real estate sales in the past 21 years is shown graphically to the right.

*Graph 01: Turnover in Real Estate sales*



**Environmental Health Services**

Indigo Shire Council provided the Environmental Health Service to Mt Hotham to carry out regulatory duties under the *Food Act 1984*, *Public Health and Wellbeing Act 2008*, *Public Health and Wellbeing Regulations 2019* and *Tobacco Act 1987*.

This service requires full compliance and a high standard of public health within the resort, with assessments and inspections of food premises, accommodation facilities, health premises, educational visits to ensure tobacco compliance and the investigation of complaints. The RMB handles the registrations and payments. Indigo Shire Council conducts inspections and issues certificates.

**Food Premises**

During the 2021 season, 26 food premises were registered. All the mandatory food inspections were conducted during the 2021 season. Two major non-compliant inspections required follow ups. The follow up inspections complied, where the items requiring attention were satisfactorily addressed.

**Prescribed Accommodation**

A total of 61 accommodation facilities were registered in 2021. One complaint was received during the 2021 season. This was investigated and the alleged premises was not found to be a public health risk at the time of inspection.

**Health Premises**

Two health premises are registered at the resort, with one being a new mobile hairdresser. The beauty premises were closed due to the impacts of COVID-19 so were not inspected.

**Resort Asset Management System**

Public entities subscribe to the Victorian Government's Asset Management Accountability Framework (AMAF). Following endorsement of the Asset Management Strategy in December 2020, the RMB engaged GHD to assist in a comprehensive review of existing asset information to develop a revised Asset Register and Asset Management Plans for critical asset classes.

Data collection work commenced in 2021 and will continue into 2022 for some asset classes for the new asset register. The RMB updated its maturity assessment at the end of 2021 in accordance with the Standing Directions and the AMAF.

Overall, the RMB has complied with the AMAF conditions.

**Roads and Car Parks**

RMB maintains all the roads within the Mt Hotham resort except for the Great Alpine Road (GAR) which is managed by VicRoads. VicRoads upgraded the surface of the GAR in 2021, resulting in a significant increase of the road height. The RMB team restabilised the verge along this section.

In addition, works were completed between bus stop 8 to bus stop 7, and the CFA corner to near the Arlberg. This included sealing of some sections of the verge using crushed glass processed in resort.

**UTILITIES**

In accordance with relevant legislation the RMB provides drinking water, waste water and reticulated LP Gas utility services to property owners in the resort. The RMB commenced planning and works to extend a multi-service trench for provision of the reticulation network for the developments at Whisky Flat and Wire Plain.

AusNet Services worked with the RMB to ensure electrical supply services were also available. Civil works on the multi-service trench commenced in November 2021 and are expected to be completed prior to winter 2022.

**Rising Main Replacement Works**

The potable raw water rising main is critical infrastructure as it delivers raw water from Swindlers Creek to the storage tanks on the peak of Mt Higginbotham. The original pipeline was at end of life and to ensure a sustainable water supply for the village, the replacement of the ageing infrastructure was scheduled to occur in a staged approach that was adopted by the Board in July 2019.

The usual unpredictable alpine weather conditions and the unique geotechnical features of the area have presented some challenges to this project. During 2021 works continued on the installation of sections of new pipes within the area known as Lower Playground. These sections are approximately 300 metres in length in very steep terrain. Approximately fifty percent of this section is complete with further works scheduled for 2022.

**Mt Higginbotham Tanks Upgrade**

In 2021 the preliminary design was established for the increase of the raw water storage supply in the Mt Higginbotham tanks. Two existing smaller tanks have been decommissioned. Plans are underway to replace these two tanks with one larger tank to allow for an additional two megalitres of storage capacity.

**Potable Water**

During 2021 the Board endorsed a Drinking Water Policy for the water operations at Mt Hotham. The RMB strives to deliver a high quality drinking water supply and has achieved 100 per cent compliance with the Safe Drinking Water Quality Standards again in 2021, for the ninth year in a row. A copy of the 2021 Drinking Water Annual Report can be found here: [rmb.mthotham.com.au](http://rmb.mthotham.com.au).

The annual Potable Water Catchment Survey was conducted in March 2021 with two gullies surveyed within the southeast area of the upper catchment. The condition of the catchment was excellent with good native vegetation cover and minimal soil disturbance and rubbish.

During the 2021 reporting period the village consumed 65.3 megalitres of water. Even though there was reduced visitation in the middle of the season due to state-wide and then later metropolitan only COVIDSafe Settings, there was an unprecedented high visitation period in the first five weeks of the 2021 snow season.

Table 07: Potable Water Consumption

	2021	2020	2019	2018
Winter total potable water usage	39.8ML	17.2ML	61.5ML	65ML
Annual total potable water usage	65.3ML	43.9ML	91ML	97ML
Winter total potable water usage (ltr/visitor days)	183.4	NA	152.6	167

**Waste Water**

The RMB operates the Mt Hotham Waste Water Treatment Plant (WWTP) and continues to work towards meeting the key objective of improving overall operational efficiency and improved Class A recycled water production and biosolids reuse.

Winter 2021 was another challenging year for the WWTP. Four openings and shutdowns caused many challenges with maintaining the biomass activity and vigour under very different loads. The heating system installed in winter 2020 along with an extended dosing program and good operational management saw the system achieve full EPA licence compliance.

During the summer works program of 2020-21, work commenced on the clarifier. Assessment of the structural integrity of the concrete tank was also undertaken. The works will continue in the summer of 2021-22.

The Class A Ultrafiltration (UF) Plant has continued to see ongoing maintenance and improvements with a new turbidimeter and flow meter installed to replace instruments that were end of life.

**LP Gas**

RMB facilitates the supply of LP gas to 271 customer meters. In 2021, a bulk gas supply of 640.52 tonnes was secured for the resort, a 70% increase on the figure of 375.7 tonnes the year before. This highlights the increase in visitor numbers in 2021 compared to the previous year.

The RMB operates to be compliant with the *Gas Safety Act 1997*, *Gas Safety (Gas Quality) Regulations 2017* and *Gas Safety (Safety Case) Regulations 2018*. Energy Safe Victoria (ESV) is the regulatory authority that oversees the operations of all gas companies in Victoria and routinely conducts audits to ensure regulatory compliance.



### COVID-19 IMPACTS ON UTILITY DELIVERY

The RMB experienced the normal costs associated with scaling up for winter without adequate opportunity to recoup them. It also incurred greater costs involved with operating in a COVID-safe manner including the planning and management of capacity restrictions, enhanced cleaning and the implementation of response facilities. There were also additional costs with essential services like the sewerage treatment plant, where low visitor numbers and subsequent system flows required investment in a heating system to remain operational.

### EMERGENCY MANAGEMENT

The *Emergency Management Act 1986* and the *Emergency Management Manual Victoria (EMMV)* requires the RMB to have a Municipal Emergency Management Planning Committee (MEMPC) and a documented Municipal Emergency Management Plan (MEMP).

Amendments to the *Emergency Management Act 2013 (EM Act 2013)* established a new framework for emergency management planning at state, regional and municipal levels. As part of these amendments, the Mt Hotham MEMPC was restructured and committee membership was streamlined. The MEMPC met three times during 2021 and also developed a new MEMP which reflects the changes in Emergency Management legislation.

One of the resort's challenges is vehicle access in the cooler months during inclement weather events. The RMB and the MEMPC developed a 'severe weather protocol' to assist in the management of the Great Alpine Road during these weather events.

Preplanning meetings were held in anticipation of inclement weather with representatives of the RMB, Victoria Police, VicRoads, Stadelmann (VicRoads contractor), SES and CFA.

### Alpine Resort Bushfire Risk Management Planning

Following a public tender process Practical Ecology was engaged to lead a Bushfire Risk Mitigation Project. Initial landscape scale risk assessments occurred in 2021 for all Victorian Alpine Resorts, assisted by DELWP's Phoenix modelling. This is expected to be finalised by early 2022.

The project objective is to identify existing current legislative and planning frameworks and develop a strategic, clear, transparent framework policy to assist the RMB's decision making relating to bushfire risk mitigation activities.

The framework policy will:

- + guide RMB annual bushfire preparation operations, such as ensuring suitable access on public roads, village area risk reduction and RMB critical asset protection
- + support resort lessees in their asset bushfire mitigation works
- + support RMB public land manager approvals to lessees for bushfire mitigation vegetation removal

# IMPROVE ORGANISATIONAL CAPABILITY



# IMPROVE ORGANISATIONAL CAPABILITY

2021 presented a challenging environment for continuing to grow organisational capability. Courses were postponed and changes had to be made to training delivery for staff who were required to work from home. In-house training was provided via different mediums to accommodate remote employees and office capacity restrictions.



## Youth Employment Program

Commencing in late 2020, five trainees from the Youth Employment Program (YEP) joined the workforce as part of a fully funded Department of Jobs, Precincts and Regions initiative. The trainees rotated through various departments and gained experience in the diverse work the organisation is responsible for at Mt Hotham across a one-year program. The trainees not only gained knowledge and skills that will contribute to their career progression, but were valued members of the RMB team and contributed to the organisation's successful operations during a difficult year.

In addition, two work experience students were engaged across a range of internal and external work areas including the Ski Patrol Department.

## Industrial Relations

A new Enterprise Agreement was negotiated in 2021, with an 'in-principle' agreement reached in late October. The new two-year Agreement included a 2% pay increase and other amendments. It is scheduled to expire in 2023 aligning with other Resort Management Board Agreements to facilitate the development of a new Alpine Resorts Victoria Enterprise Agreement.

At the time of publishing this report, consultation was underway to finalise the Mt Hotham Agreement with DELWP, Industrial Relations Victoria and the Department of Treasury and Finance in preparation for presentation to the Fair Work Commission.



**Equal Employment Opportunity**

The RMB is an equal opportunity employer, and all appointments and promotions are merit-based, established on the principles of the *Public Administration Act 2004*. The RMB has fulfilled its obligations under Section 7 of the Act regarding restriction on employees doing other work and in upholding the public-sector values and RMB values and code of conduct.

In keeping with Victorian Public Sector Commission requirements, the RMB has conducted a workplace gender audit to underpin the development of a Gender Equity Action Plan due for submission in 2022. The RMB has complied with expectations of defined entities in meeting the requirements of the *Gender Equality Act 2020*.

**Occupational Health and Safety (OH&S)**

In March 2020, the impact of COVID-19 in Victoria resulted in many changes to operating procedures with significant impact on the breadth of the RMB’s OH&S activities. This continued in 2021 with office density requirements varying according to COVIDSafe Settings requiring a continuation of staff working from home when possible.

The OH&S Committee held seven meetings during the 2021 reporting period and has:

- + reviewed policies and procedures, including management and action plans
- + conducted workplace inspections and rectified any issues identified
- + identified and recommended action to address hazards in the workplace
- + moved to an online reporting system for incidents, accidents and near misses
- + reviewed the OH&S Management System

*Table 08: Occupational Health & Safety Statistics*

	2019	2020	2021
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	2	17	23
Number of lost time standard claims for the year per 100 full-time equivalent staff members	193	238	0
Average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)	\$71,274	\$73,375	No claims for the year

**WORKFORCE DATA**

The RMB is committed to merit and equity principles compatible with public sector employment principles. In the selection process applicants are assessed and evaluated fairly, equitably and without discrimination. Staff conduct principles are derived from public sector values and are incorporated into RMB policies and procedures.

Policies and procedures that were introduced or reviewed in 2021:

- + Home-based Work Arrangements Policy
- + Staff Benefits Policy
- + Code of Conduct
- + COVID-19 Vaccination Policy
- + Infection Prevention and Control Policy & Procedure
- + Smoke Free Workplace Policy
- + Payroll Administration Obligations
- + Breathalyser Procedure

Employees have been correctly classified in workforce data collections. The following table shows the headcount and full-time equivalent (FTE) of active RMB employees as at the last full pay period in June 2021 compared with the same period in June 2020.

Table 09:

Headcount and full-time equivalent (FTE) of active RMB employees as at the last full pay period in June 2021

		2020					2021				
		Total staff	Full Time	Part Time	Season/Casual	Total FTE	Total staff	Full Time	Part Time	Season/Casual	Total FTE
Demographic data	<b>Gender</b>										
	Male	44	16	1	28	31.8	61	22	0	39	52.7
	Female	27	11	8	7	20.8	31	11	9	11	24.71
	<b>Age</b>										
	15-24	2	0	1	1	1.2	10	2	0	8	9.47
	25-34	13	6	1	6	9	19	6	1	11	14.89
	35-44	16	8	2	6	11.8	13	10	2	2	11.94
	45-54	18	7	1	10	13.1	25	9	3	13	21.13
55-64	16	5	2	9	12.4	18	5	2	11	14.28	
65+	6	1	2	3	5.1	7	1	1	5	5.7	
Classification data	<b>Band</b>										
	1	0	0	0	0	0	0	0	0	0	0
	2	0	0	0	0	0	0	0	0	0	0
	3	23	3	1	19	10.8	33	3	1	29	24.78
	4	17	4	2	11	12.4	20	4	2	14	15.54
	5	16	8	4	4	14.6	16	10	1	5	15.04
	6	4	3	0	1	4.2	9	6	2	1	8.55
	7A	6	4	2	0	5.6	8	5	3	0	7.5
	7B	4	4	0	0	4	5	4	0	1	5
<b>Executive</b>	1	1	0	0	1	1	1	0	0	1	

While it appears that staff numbers increased, this is not the case. The changes are due to the following:

- + Three funded Youth Employment Program trainees were added into the full-time numbers in 2021
- + Three positions became vacant in 2020 that were filled in 2021
- + 2020 winter casual numbers were lower than usual due to COVID-19 impacts on the winter season, and the 2021 casual numbers reflect a full complement



A scenic winter landscape featuring a snow-covered mountain slope. In the foreground, a person in a red jacket is sitting in the snow next to a snowboard. The middle ground is filled with numerous trees heavily laden with snow. In the background, a large, multi-story building complex with a distinctive architectural style, including many gabled roofs and balconies, is situated on the hillside. The sky is a mix of soft pinks, oranges, and whites, suggesting a sunset or sunrise. The overall atmosphere is serene and cold.

# STATUTORY REPORTING



# STATUTORY

# REPORTING



## BUSINESS PLAN

The Mt Hotham Alpine Resort Management Board 2021 Business Plan defines the operational plan of the RMB over the coming year. While the RMBs have traditionally developed three-year corporate plans, a one-year view was adopted due to the level of disruption and uncertainty resulting from the pandemic and the subsequent challenging financial position facing the RMBs and their stakeholders.

The Business Plan was guided by the objectives of the *Alpine Resorts Strategic Plan 2020-2025 (ARSP)*, which remains applicable until Alpine Resorts Victoria comes into effect. The broader Strategic Plan is an industry-wide strategy that looks to build a long-term and sustainable resort sector, along with enabling objectives required for the RMB to operate optimally.

## OBLIGATIONS OF THE BOARD

As a Committee of Management under the *Crown Lands (Reserves) Act 1978*, the RMB has 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 are to discharge its functions effectively and efficiently. Under section 34(7), the Board's incumbent attributes and authorities mean it:

1. 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
  5. May do and suffer all acts and things that a body corporate may by law do or suffer.
- The Board carries out its functions and powers on behalf of the Crown

### FUNCTIONS OF THE RMB

- + To plan for the development, promotion, management and use, of each such alpine resort in accordance with the object of the *Alpine Resorts Management 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 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
- + To carry out any other function conferred on the Board by this or any other Act

### PRIVACY POLICY

The RMB is committed to providing quality service. As such, its privacy policy outlines the organisation's ongoing obligations in respect of how it manages personal information and sensitive information.

The RMB has adopted the Australian Privacy Principles (APPs) contained in the *Commonwealth Privacy Act 1988*, and *Privacy Amendment (Enhancing Privacy Protection) Act 2012* and is subject to the *Victorian Privacy and Data Protection Act 2014*. The APPs govern the way in which it can collect, use, disclose, store, secure and dispose of Personal Information.

A copy of the Australian Privacy Principles may be obtained from the website of The Office of the Australian Information Commissioner at [oaic.gov.au](http://oaic.gov.au).

### COMPETITIVE NEUTRALITY 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 of government ownership, should be neutralised. The RMB continues to implement and apply this principle in its business undertakings.

The RMB is one of five alpine resort management Boards within Victoria. The RMB has established its own pricing regime within the ceiling prescribed by the *Alpine Resort (Management) Regulations 2020*. The Board, as the independent delegated manager of the resort's assets, purchases services and goods in line with Government Board Purchasing guidelines. RMB complies with the Government's National Competition Policy.

### FAIR TRADING ACT

The *Fair Trading (Recreational Services) Regulations 2004* makes it possible for suppliers of recreational services to obtain consent from customers to waive their rights under the *Fair Trading Act 1999*, including their right to take legal action against the supplier if they die or are injured while using the services.

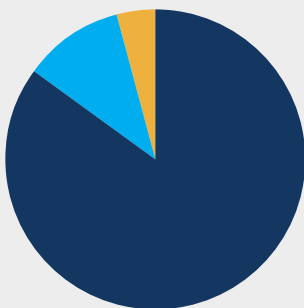
In compliance with these regulations, the RMB has installed warning signs at both resort entry gates to alert visitors that they are being asked to agree to waive their rights under the Act.

**COMPLIANCE AND MATURITY RATING TOOL**

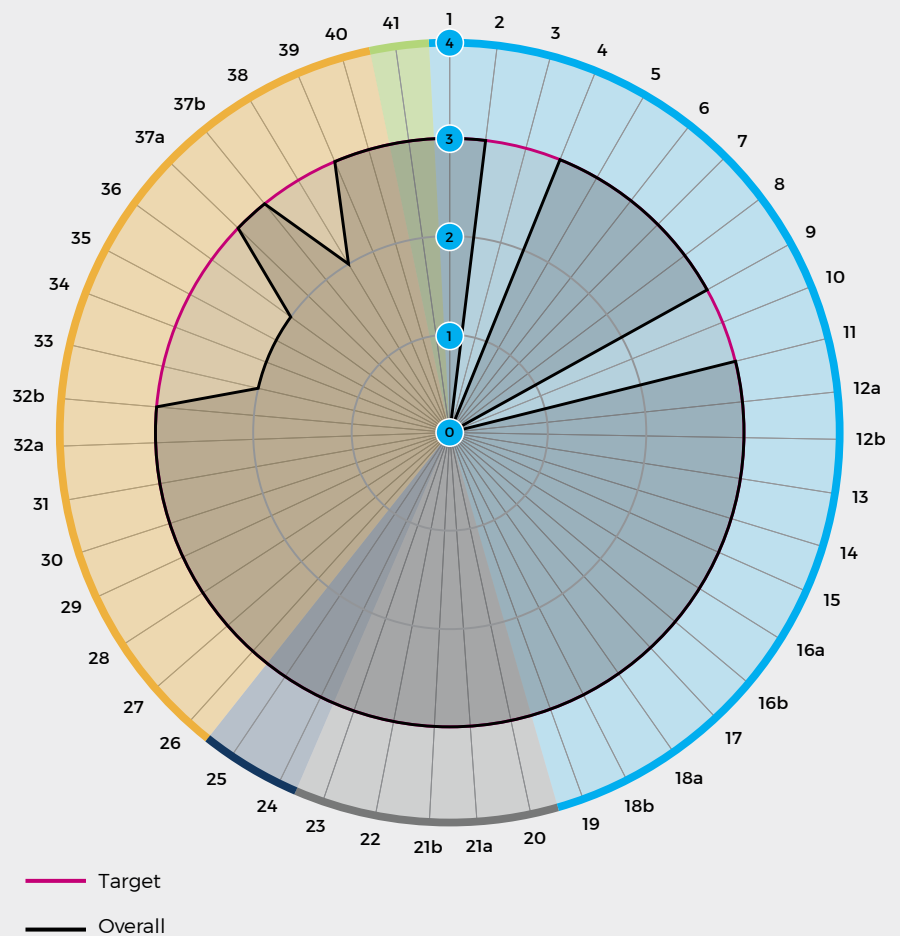
The objective of the Asset Management Accountability Framework (AMAF) issued by the Victorian Government is to assist agencies managing their asset portfolios and provide better service outcomes. Mandatory requirements including developing asset management strategies, governance frameworks, performance standards and processes to regularly monitor and improve asset management outcomes. The requirements also include establishing systems for maintaining assets and processes for identifying and addressing performance failures. The below diagrams provide a visual against each of the 41 AMAF mandatory requirements and the RMB's current maturity level. The red circle within the maturity diagram represents a score of 3 or "effective competence" against target levels for an agency of the RMB's size and complexity, noting that some requirements are not applicable.

The RMB has effective operating asset strategies, plans and performance monitoring systems in place to reduce and prevent service disruptions due to inadequate functioning of assets. To achieve full compliance and an asset management maturity level of effective, full integration of an Asset Information Management System, is currently being finalised. Work continues updating asset conditions, tailoring reporting and development of asset class plans. This is expected to be completed by 31 December 2022.

**AMAF COMPLIANCE**



- Comply
- Partial/Non-comply
- Not applicable





**LOCAL JOBS FIRST ACT 2003  
(FORMERLY THE VICTORIAN INDUSTRY  
PARTICIPATION POLICY ACT 2003)**

Strengthened in August 2018, the *Local Jobs First (LJF) Act 2003* amends the former *Victorian Industry Participation Policy Act 2003*. This Act was established 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 (VIPP) sits within the LJF Act, and the RMB implements policies to tenders over \$1 million as required for Regional Victoria.

During 2018, RMB commenced one outsourced work contract. Although the VIPP was not required, the successful tenderer was a local business and local staff were employed on a seasonal basis. 2020 was the third and final year of the contract, however due to the impacts of COVID-19 and resort closure the contract was put on hold with the final year extended to cover the 2021 season.

In 2021 the RMB awarded six contracts under the Local Jobs First Policy. One contract is expected to be complete in 2022 and five in 2023.

For the Alpine Gateway project and the Whiskey Flat Alpine Recreation Facility local suppliers included Dinner Plain Constructions, Midson, Alpine Bearpac and MJS Omeo Earthmoving.

**PUBLIC INTEREST DISCLOSURE ACT 2012**

The *Public Interest Disclosures Act 2012* (PID Act) enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body. The RMB is a public body for the purposes of the PID Act.

**What is a public interest disclosure?**

A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body. 'Corrupt or improper conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption. 'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

**How is a public interest disclosure made?**

A public interest disclosure can be made about the RMB or its Board directors, officers or employees by contacting IBAC (details below). The RMB is not able to receive public interest disclosures. The RMB has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about the RMB, its Board members, officers or employees.

**Independent Broad-based Anti-Corruption  
Commission (IBAC) Victoria**

Level 1, North Tower  
459 Collins Street  
Melbourne Victoria 3000

GPO Box 24234  
Melbourne Victoria 3001  
[www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)  
1300 735 135

**SOCIAL PROCUREMENT FRAMEWORK**

The RMB is committed to supporting the Government’s directions under the Social Procurement Framework (SPF) and recognise that it plays a key role in advancing social and sustainable outcomes for Victorians.

In 2020, the RMB developed a Social Procurement Strategy to enable a strategic, agency-wide approach on advancing social and sustainable outcomes through procurement in accordance with the SPF and beyond.

The RMB prioritised five SPF objectives – detailed in the table below, with their associated reporting metrics. These SPF objectives were chosen based on their high degree of alignment with the RMB’s strategic direction and core business functions. The RMB aims to embed social procurement practices throughout the organisation’s procurement process so that the organisation’s expertise, resourcing, systems, policies and processes enable the delivery of social and sustainable outcomes.

*Table 10: Social Procurement Framework*

Objective prioritised	Outcome sought	SPF reporting metric
Opportunities for Victorian Traditional Owners	Provide employment opportunities Purchasing and co-investment opportunities	Working with the Gunaikurnai Land and Waters Aboriginal Corporation in Gippsland (GLaWAC) on co-investment opportunities and cultural tourism product development.
Opportunities for disadvantaged Victorians	Provide employment opportunities Purchasing and co-investment opportunities	17 FTE fixed term contracts during the 2021 snow season to young Australians.
Supporting safe and fair workplaces	Embed induction training. Provide employees resources to assist with a wide range of services including mental health, counselling and information. This is a combined arrangement with Mt Buller. Employment Agreement complies with industrial relations laws and promotes secure employment. Ensure contractors and suppliers have a commitment to safe and fair workplace practices.	Implementation of an Employee Assistance Program. Online training program covers OH&S, and safe and fair workplace policies and procedures. Attendance by 33 external contractors at site induction sessions and provision of safe work method statement obtained. RMB accessed Albury Rural Health services of mental health clinicians who made eight site visits and information sessions.
Sustainable Victorian Regions	Engage in local jobs first and local small to medium enterprises (SMEs).	The RMB supports local SMEs wherever possible. Due to the remote location of the resort, contractors and suppliers to the RMB typically provide employment to those in the local communities.
Environmentally sustainable business practices	All tender processes include requests for information regarding sustainable business practices. As per the guidelines, all tenders of \$1m have weighted assessment criteria for sustainable business practices.	Four contracts over \$1m included environmentally sustainable business practices in their submissions.

### ACHIEVEMENTS

- + The RMB continues to provide short term employment opportunities over the winter ski season for young Australians without any formal qualifications and who are looking for work experience they can use as a stepping-stone to ongoing employment. These fixed term contract positions are predominantly in Guest Services and give young people experience in the tourism industry.
- + The RMB participated in the Youth Employment Program and employed six young Australians.

### 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. The RMB updated one data set available on the DataVic website in 2021.

### FREEDOM OF INFORMATION

The RMB 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 were no Free of Information (FOI) requests in the reporting period. The principal officer for the resort is Bronwen Young, Visitor Services Director.

Requests under the FOI Act can be made to the principal officer. An application fee of \$30.10 applies. Access charges may also be payable if the document pool is large, and the search for material is time consuming.

#### Principal Officer:

**Bronwen Young**  
Visitor Services Director

PO Box 188,  
Bright 3741  
Ph: 03 5759 3550  
Email: info@mthotham.com.au

### RELEVANT INFORMATION

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

- + 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 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
- + Major committees sponsored, purposes of committees and achievements
- + Details of all consultancies and contractors, including consultants/contractors engaged, services provided, and expenditure committed for each engagement

### MOUNT HOTHAM ALPINE RESORT MANAGEMENT BOARD FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Andrew Skewes, on behalf of the Responsible Body, certify that the Mount Hotham Alpine Resort Management Board has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



**Andrew Skewes**  
Board Chair

Mount Hotham Alpine Resort Management Board  
31 December 2021





## Independent Auditor's Report

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

<b>Opinion</b>	<p>I have audited the financial report of the Mount Hotham Alpine Resort Management Board (the authority) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 31 December 2021</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• Chairperson's, Chief Executive Officer's and Corporate Services Director's declaration.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Other Information</b>	<p>The Board of the authority is responsible for the "other information" included in the authority's Annual Report for the year ended 31 December 2021. The other information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a materially misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Level 31 / 35 Collins Street, Melbourne Vic 3000  
 T 03 8601 7000 [enquiries@audit.vic.gov.au](mailto:enquiries@audit.vic.gov.au) [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

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

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

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

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

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

MELBOURNE  
12 April 2022



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

# FINANCIAL REPORT





## Chairperson's, Accountable Officer's and Chief Financial 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 Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 31 December 2021 and financial position of the Mount Hotham Alpine Resort Management Board at 31 December 2021.

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 5 April 2022.



**ANDREW SKEWES**  
*Chairperson*



**AMBER GARDNER**  
*Chief Executive Officer*



**FIONA HAMMOND**  
*Corporate Services Director*

## Comprehensive Operating Statement

FOR THE YEAR ENDED 31 DECEMBER 2021<sup>(a)</sup>

	Notes	2021 \$	2020 \$
<b>CONTINUING OPERATIONS</b>			
<b>Revenue and Income from transactions</b>			
Site rent	2.2.1	819,753	271,125
Sale of goods and services	2.2.2	8,859,063	6,210,823
Other revenue and income	2.2.3	731,944	227,072
Grant revenue and income	2.2.4	7,466,031	853,758
Interest income	2.2.5	4,507	28,148
<b>Total income from transactions</b>	<b>2.2</b>	<b>17,881,297</b>	<b>7,590,926</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1.1	4,563,916	4,046,559
Contracts, Materials & Services	3.2	3,068,789	1,588,268
Utilities and Telecommunications	3.2	621,794	452,328
Administration and Compliance	3.2	1,325,782	1,099,418
Marketing and Communications	3.2	463,258	267,001
Depreciation on property, plant and equipment	4.1.1	1,729,203	1,966,161
Depreciation on right of use assets	5.4	8,161	13,780
Interest expense	6.1.1	64,628	72,946
Other operating expenses	3.2	741,011	206,025
<b>Total expenses from transactions</b>		<b>12,586,542</b>	<b>9,712,486</b>
<b>Net result from transactions</b>		<b>5,294,755</b>	<b>(2,121,560)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets <sup>(b)</sup>	8.1	-	(45,247)
Net gain/(loss) arising from revaluation of long service liability	8.1	(52,964)	54,491
<b>Total other economic flows included in net result</b>		<b>(52,964)</b>	<b>9,244</b>
<b>Net result from continuing operations</b>		<b>5,241,791</b>	<b>(2,112,317)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	8.2.2	17,878,238	-
<b>Total other economic flows - other comprehensive income</b>		<b>17,878,238</b>	<b>-</b>
<b>Comprehensive result</b>		<b>23,120,029</b>	<b>(2,112,317)</b>

(a) This format is aligned to AASB 1049 Whole of Government and General Sector Financial Reporting

(b) 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.

The accompanying notes form part of these financial statements.

## Balance Sheet

AS AT 31 DECEMBER 2021<sup>(a)</sup>

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6.2	3,921,509	3,778,600
Receivables	5.1	2,679,409	2,376,007
<b>Total financial assets</b>		<b>6,600,918</b>	<b>6,154,607</b>
<b>Non-financial assets</b>			
Inventories	5.3	179,958	118,629
Right-of-use assets	5.4	47,594	55,755
Investment property	4.2	70,000	70,000
Other non-financial assets	5.5	229,190	222,612
Property, plant & equipment	4.1	102,270,527	78,291,440
<b>Total non-financial assets</b>		<b>102,797,269</b>	<b>78,758,436</b>
<b>TOTAL ASSETS</b>		<b>109,398,186</b>	<b>84,913,043</b>
<b>LIABILITIES</b>			
Payables	5.2	5,369,596	3,840,562
Borrowings and lease liabilities	6.1	923,115	1,058,067
Employee related provisions	3.1.2	1,005,079	1,034,048
<b>TOTAL LIABILITIES</b>		<b>7,297,790</b>	<b>5,932,677</b>
<b>NET ASSETS</b>		<b>102,100,396</b>	<b>78,980,366</b>
<b>EQUITY</b>			
Accumulated surplus		13,514,413	8,272,622
Physical asset revaluation surplus	8.2.2	48,558,255	30,680,016
Contributed capital	8.2.1	40,027,728	40,027,728
<b>NET WORTH</b>		<b>102,100,396</b>	<b>78,980,366</b>

(a) This format is aligned to AASB 1049 Whole of Government and General Sector Financial Reporting

The accompanying notes form part of these financial statements.



## Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2021 <sup>(a)</sup>

	Notes	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Receipts from Government		8,987,518	2,443,077
Receipts from customers and other entities		9,947,495	6,886,540
Interest received		4,507	28,148
<b>Total receipts</b>		<b>18,939,520</b>	<b>9,357,766</b>
<b>Payments</b>			
Payments to suppliers and employees		(10,182,712)	(8,237,493)
Net GST paid <sup>(b)</sup>		(584,268)	(469,496)
Interest paid on government loans	6.1.1	(62,405)	(70,452)
Interest portion of repayments of lease liabilities		(2,223)	(2,494)
<b>Total payments</b>		<b>(10,831,609)</b>	<b>(8,779,935)</b>
<b>Net cash (used in)/provided by operating activities</b>	6.2.1	<b>8,107,912</b>	<b>577,830</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for non-financial assets		(7,830,051)	(1,891,110)
<b>Net cash (used in)/provided by investing activities</b>		<b>(7,830,051)</b>	<b>(1,891,110)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of principle portion of lease liabilities		(7,657)	(10,984)
Repayment of borrowings from Treasury Corporation Victoria		(127,295)	(119,255)
<b>Net cash (used in)/provided by financing activities</b>		<b>(134,952)</b>	<b>(130,239)</b>
<b>Net Increase/(Decrease) in cash held</b>		<b>142,909</b>	<b>(1,443,519)</b>
Cash at the beginning of the financial year		3,778,600	5,222,119
<b>Cash and cash equivalents at end of financial year</b>	6.2	<b>3,921,509</b>	<b>3,778,600</b>

(a) This format is aligned to AASB 1049 Whole of Government and General Sector Financial Reporting

(b) GST paid to the Australian Taxation Office is presented on a net basis.

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2021 <sup>(a)</sup>

	Notes	Physical Asset Revaluation Surplus \$	Accumulated Surplus \$	Contribution by Owner \$	Total \$
<b>Balance at 1 January 2020</b>		<b>30,680,016</b>	<b>10,153,827</b>	<b>40,258,839</b>	<b>81,092,681</b>
Net result for the year		-	(2,112,317)	-	(2,112,317)
Prior year adjustment to contributed capital	8.2.1	-	231,112	(231,112)	-
Other comprehensive income for the year		-	-	-	-
<b>Balance at 31 December 2020</b>		<b>30,680,016</b>	<b>8,272,622</b>	<b>40,027,728</b>	<b>78,980,366</b>
Net result for year		-	5,241,791	-	5,241,791
Other comprehensive income for the year	8.2.2	17,878,238	-	-	17,878,238
<b>Balance at 31 December 2021</b>		<b>48,558,255</b>	<b>13,514,413</b>	<b>40,027,728</b>	<b>102,100,396</b>

(a) This format is aligned to AASB 1049 Whole of Government and General Sector Financial Reporting

The accompanying notes form part of these financial statements.

## Notes to and forming part of the Financial Statements for the year ended 31 December 2021

### SECTION 1: ABOUT THIS REPORT

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

The Board 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.

The Board's principal address is:

**Mount Hotham Alpine Resort Management Board**  
28 Great Alpine Road  
Hotham Heights VIC 3741

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

#### NOTE 1.1 BASIS OF PREPARATION

These financial statements are presented in Australian dollars, the functional and presentation currency of the RMB, and the historical cost convention has been used unless a different measurement basis is specifically disclosed in the note associated with any item measured on a different basis.

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

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

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

Judgements, estimates and assumptions are required to be made about financial information being presented.

The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates relate to:

- + determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is in the scope of AASB 15 or AASB 1058 (refer to Note 2.2.4)
- + the timing and satisfaction of performance obligations and determining the transaction price and amounts allocated to performance obligation (refer to Note 2.2.4)
- + impairment of assets (refer to Note 4.1)
- + the allowance for expected credit losses (refer to Note 5.1);
- + the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3);
- + employee benefit provisions (refer to Note 3.1.2) and
- + the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 4.1.1)

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 Board as an individual reporting entity and include all the controlled activities of the RMB.

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.



## NOTE 1.2 COMPLIANCE INFORMATION

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

## NOTE 1.3 COVID-19 IMPACT

On 16th March 2020 the State Government declared a State of Emergency as a result of COVID-19. This continues to have a significant impact on the operating and economic environment for the Board which has led to a number of restrictions that have impacted the ability of the RMB to trade.

In 2021, Mt Hotham was able to open on the June Queen's Birthday long weekend but was challenged by COVIDSafe Settings that once again significantly impacted resort operations. This included:

- + Statewide COVIDSafe Settings that resulted in the resort being closed to all visitors for a period of 32 days, primarily in the peak winter period of July/August.
- + State border closures and extended Melbourne COVIDSafe Settings that inhibited travel, which meant that the resort lost its core visitor market for 48 days, limiting trade opportunities.
- + Restrictions on people entering the resort, requiring visitors to have undertaken a COVID-19 test and received a negative result within 72 hours of arrival; and off-mountain staff required to undertake the same process on a weekly basis for a certain period.

Considering that the season traditionally covers 105 days of operation disruptions have significantly impacted operations and the viability of the RMB and mountain businesses.

Similar to the 2020 Financial Year, the State Government announced various grant and relief programs. A rent relief program similar to 2020 was announced covering the period 28 July 2021 to 15 March 2022 with stakeholders applying for this relief directly to the RMB, reducing the revenue received by the RMB for site rent. No programs were available for a reduction or relief in Service Charges, noting this revenue line was not impacted by COVID-19.

Similar to the 2020 Financial Year, the RMB has also reduced its transactional expenditure, wherever possible to assist in offsetting the loss in revenue.

The RMB has worked closely with the State Government through the responsible minister and the Department of Environment, Land, Water and Planning (DELWP) to maintain adequate financial support during these periods of closure to the public, including the provision of regular and detailed cash flow forecasts. As a result, DELWP provided an advance of \$3,528,140 funding throughout 2021 for COVID-19 funding support (see note 2.2.4). The responsible minister through DELWP has further committed to provide ongoing financial support for the resort to meet its financial responsibilities, including the provision of a letter of financial support for the period until 30 April 2023.

There are account balances directly affected by the closure of the resort to the public and other account balances affected by COVID-19 due to management's judgements and assumptions about the future and estimation uncertainty. The RMB has reviewed the underlying accounting policies and assumptions of all balance sheet and operating statement items in the preparation of these financial statements and has not made any adjustment to those balances or amounts as a result of COVID-19. Further disclosures to reflect the RMB's judgements, assumptions and consequential impact of COVID-19 can be found in:

- + Note 2.2 Income from transactions
- + Note 3.2 Other operating expenses
- + Note 4.1 Total property, plant and equipment
- + Note 5.1 Receivables

Due to the continuing nature of this event and the material uncertainty that exists it is not possible to quantify the full economic impact of COVID-19 on the operations of the RMB. The RMB has assessed its financial position in accordance with the impact of COVID-19 ongoing concern and related assessments as jointly published by the Australian Accounting Standards Board and the Auditing and Assurance Standards Board, and DELWP have committed to providing ongoing cash flow support to meet the RMB's current and future obligations as and when they fall due for a period up to 30 April 2023. On that basis it has been determined that the going concern assumption remains to be the appropriate basis for the preparation of the 2021 annual financial report.

### NOTE 1.4 SUBSEQUENT EVENTS

The Alpine Resorts Co-ordinating Council and Alpine Resort Management Boards (ARMBs) were notified on Monday 22 March 2021 by the Hon. Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change, of the Victorian Government's intention to merge the ARMBs into a new statutory body corporate to be known as Alpine Resorts Victoria.

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

Royal assent was given on 16 March 2022 enacting the legislative amendments, the new entity Alpine Resorts Victoria will commence from 1 October 2022.

Based on the details of the announcement and correspondence with the Department, management have concluded the going concern assumption in the accounting for assets and liabilities remains appropriate for the next 12 months.

Management's assessment of the future merger is that it has no impact on the value of assets or liabilities disclosed in the statement of financial position as at 31 December 2021.

## SECTION 2: FUNDING DELIVERY OF OUR SERVICES

### INTRODUCTION

The RMB's overall objective is to provide a premier Alpine Resort visitor experience while also conserving and enhancing the resort's environment through the optimal management of the Crown Asset.

To enable the RMB to fulfil its objective and provide the necessary infrastructure and services, it receives revenue from levies of site rent and service charges, gate entry and gas usage. Due to the impact of COVID-19 (Note 1.3), COVID-19 Financial Support was provided by Department of Environment, Land, Water and Planning (DELWP) to support the resort's operations.

### STRUCTURE

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Revenue and Income from transactions
- 2.3 Future site rent lease revenue

### NOTE 2.1

#### SUMMARY OF REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	Notes	2021 \$	2020 \$
Site rent	2.2.1	819,753	271,125
Sale of goods and services	2.2.2	8,859,063	6,210,823
Other revenue and income	2.2.3	731,944	227,072
Grant revenue and income	2.2.4	7,466,031	853,758
Interest	2.2.5	4,507	28,148
<b>Total revenue and income from transactions</b>		<b>17,881,297</b>	<b>7,590,926</b>

### NOTE 2.2

#### REVENUE AND INCOME FROM TRANSACTIONS

##### Note 2.2.1 Site rental

	2021 \$	2020 \$
Site rental	819,753	271,125

Site rental is recognised under the terms and conditions of each lease and in accordance with the Board's role as a Committee of Management of any Crown Land deemed to be permanently reserved under the *Crown Lands Reserve Act 1978*. Rental revenue from Crown leases is recognised on a straight line basis over the term of the relevant lease. Revenue is recognised per *AASB 15: Revenue from contracts with customers*.

In accordance with the *COVID-19 Omnibus (Emergency Measures) (Commercial Leases and Licences) Regulations 2020*, Site rent relief was applied to qualifying Tenants and Sub-tenants for the period of 26 July 2021 to 31 December 2021 (prior year 1 January 2020 to 31 December 2020), in accordance with the terms and conditions provided by the Board.



Note 2.2.2 Sale of goods and services	2021	2020
	\$	\$
Service charges	4,996,897	4,931,539
Transport contribution	77,594	36,581
Gas trading operations	1,171,144	647,840
Gate entry	2,414,734	458,659
Horticultural supplies	198,694	136,205
<b>Total sale of goods and services</b>	<b>8,859,063</b>	<b>6,210,823</b>

All of the above revenue is accounted for under AASB 15 *Revenue from contracts with customers*.

Service Charge revenue is brought to account when a rate/tariff is levied or determined for service charges leviable under Section 13 of the *Alpine Resorts (Management) Act 1997*. The performance obligation is the provision of services over the billing period. Service charges are levied on a quarterly basis but the revenue is recognised on a monthly basis as the services have been provided.

Transport contribution is recognised as related performance obligations are met during the snow season.

Gate entry revenue (including from the sale of season permits) is recognised when received and when the entitlement is in the current financial year. Season permit receipts received for an entitlement to resort entry are recognised as revenue at the beginning of the ski season in the year that the permit relates to RMB's performance obligations in relation to gate entry and season permits incorporates: ensuring access to the resort, snow clearing, provision of parking and transportation, ski patrol services and on mountain medical services during the declared ski season. These performance obligations are treated as satisfied at the beginning of the ski season upon opening day. Any refunds were allocated proportionately during the year.

Gas revenue is recognised as related performance obligations are met. Performance obligations are met as gas is provided to the end user.

Horticultural supply revenue is recognised as related performance obligations are met. Performance obligations are met when plants have been purchased at the Ovens based nursery.

Whilst sale of goods and services in 2021 was higher than the prior year as the 2020 snow season, both seasons were significantly reduced due to impacts of COVID-19. The 2020 winter season was open for minimal number of days whereas the 2021 season was open greater periods. The resort was still limited in operations due to closures of cities and local government areas throughout Victoria and the rest of Australia, restricting the movement of people and their ability to visit the resort.

Note 2.2.3 Other Revenue and Income	2021	2020
	\$	\$
Fines and Regulatory Fees <sup>(a)</sup>	165,799	-
Rental Income – Investment properties <sup>(b)</sup>	67,285	28,165
Service Charges – Infrastructure fee <sup>(c)</sup>	57,445	56,357
Marketing Revenue <sup>(d)</sup>	36,126	-
Property related Fees and charges <sup>(e)</sup>	54,411	5,914
Fee for service revenue <sup>(f)</sup>	198,395	3,683
Volunteer services income <sup>(g)</sup>	82,319	-
Other miscellaneous revenue	70,164	132,953
<b>Total Other Revenue and Income</b>	<b>731,944</b>	<b>227,072</b>

(a) Infringement notices are recognised as revenue when the penalty has been imposed. Infringements are issued to visitors who enter and stay in the resort during the declared ski season without paying an entry fee.

(b) Rental revenue from leasing of investment properties is recognised on a straight line basis over the lease term.

(c) Service Charges – Infrastructure fee relates to capital ingoings which are costs recovered from new developments that require new connections of services. Obligations are met and revenue recognised once the services have been connected and paid for by the RMB.

(d) Marketing revenue relates to revenue received from website advertising of on-mountain businesses. Performance obligations are met and revenue recognised once the advertising is loaded onto the website.

(e) Property related fees and charges – this revenue relates to consent fees, building act fees and business permit fees which are levied to resort building owners and businesses. Performance obligations are met and revenue recognised once the various permits and consents have been obtained.

(f) Fee for service revenue relates to the sundry services provided by the RMB (Snow clearing, brush cutting, etc). Performance obligations are met and revenue recognised once the works have been undertaken.

Revenue from a, b, c, d, e, and f falls under AASB 15 *Revenue from contracts with customers*.

(g) Volunteer services income is recognised for Volunteer Ski Patrol hours supplied during the ski season per AASB 1058. Ski Patrolling is a service provided as a compulsory requirement of operating the Alpine Resort during winter and the fair value of the services can be reliably determined. The RMB recognises the dependence on these volunteer services and has disclosed the value of these services in the financial statements as income and expenditure.

<b>Note 2.2.4 Grant revenue and income</b>	<b>2021</b>	<b>2020</b>
<i>Income recognised as income of not-for-profit entities (AASB 1058)</i>	\$	\$
Government tax rebates	64,947	11,408
DELWP	36,452	41,172
Wage Subsidy – Traineeships	28,000	-
Sustainability Victoria	11,565	-
Parks Victoria	8,000	24,747
<i>Capital Funding Grants recognised as income of non-for-profit entities (AASB 1058)</i>		
DJPR – Alpine Gateway Project	3,150,000	-
DJPR – Whiskey Flat Project	211,832	-
DJPR – Wire Plain Project	171,517	-
DJPR – Bushfire Recovery Regional Economic Stimulus – Shared Trail Network – Dargo Lookout and Possum Flat Trail upgrade	2,400	-
DJPR – Resilience Project	683	-
North East Catchment Management Authority (NECMA)	-	156,000
<i>Income recognised as revenue from contract with customers (AASB 15)</i>		
DELWP – COVID 19 Financial Support	3,528,140	589,431
DELWP – Youth Employment Grant	188,406	-
Murray PHN after hours funding	60,000	30,000
The Alpine Garden Society Victorian Group Grant – Mount Hotham Flora Field Guide	4,091	-
Alpine Shire Council	-	1,000
<b>Total grant income</b>	<b>7,466,031</b>	<b>853,758</b>

#### Grants recognised under AASB 1058

Grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the RMB has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the RMB recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

Related amounts may take the form of:

- + contributions by owners, in accordance with AASB 15;
- + revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- + a lease liability in accordance with AASB 16;
- + a financial instrument, in accordance with AASB 9; or
- + a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Income from grants to construct the Board's Capital Works Projects are recognised progressively as the asset is constructed in accordance with AASB 1058. This aligns with the RMB's obligation to construct the asset. The progressive percentage costs incurred is used to recognise income because this most closely reflects the construction progress as costs are incurred as the works are done.



Where grant revenue arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when each performance obligation is satisfied per AASB 15. The performance obligations are varied based on the agreements. Each performance obligation is considered to ensure that the revenue recognition reflects the completion of performance obligations. Within grant agreements, there may be some performance obligations where performance obligations are met at a point in time and others where performance obligations are met over a period of time. Where performance obligations are met over time, generally the input methods, being either costs or time incurred, are deemed to be the most appropriate methods to reflect the transfer of benefit.

**Grants recognised under AASB 15**

Revenue from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. COVID-19 Financial Support received from Government is recognised when performance obligations are met as per the Memorandum of Understanding. Performance obligations are met when funded expenditure is incurred. Funding received prior to the end of the year in relation to performance obligations yet to be met is deferred on the balance sheet as a contract liability.

<b>Note 2.2.5 Interest income</b>	2021	2020
<b>Interest from financial assets not at fair value through profit and loss</b>	\$	\$
Interest on bank deposits	4,485	25,269
Penalty interest	22	2,879
<b>Total interest income</b>	<b>4,507</b>	<b>28,148</b>

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. Interest income in 2021 is lower than in the prior year due to the reduction of cash reserves due to the impacts of COVID-19 on income generation.

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 2021 the Penalty Interest Rate was 10% (2020 10%).

In accordance with the *COVID-19 Omnibus (Emergency Measures) (Commercial Leases and Licences) Regulations 2020*, interest has not been applied on outstanding tenants debts from 27 April 2020 and is assessed based on hardship claims.

**NOTE 2.3**
**FUTURE SITE RENT LEASE REVENUE**

Crown Land is recorded in the accounts of the RMB 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.

	2021	2020
	\$	\$
Non-cancellable operating lease receivables	1,121,925	1,244,077
Not longer than 5 years	4,489,122	5,087,325
Longer than 5 years	29,922,838	23,774,298
	<b>35,533,886</b>	<b>30,105,700</b>

## SECTION 3: THE COST OF DELIVERING SERVICES

### INTRODUCTION

This section provides an account of the expenses incurred by the RMB 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. There has been an increase in Resort Operations from the prior year due to the increase in visitation during 2021 ski season (see Note 1.3).

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

### STRUCTURE

- 3.1 Expenses incurred in delivery of services
- 3.2 Other operating expenses

### NOTE 3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

	Notes	2021 \$	2020 \$
Employee benefit expenses	3.1.1	4,563,916	4,046,559
Other operating expenses	3.2	6,220,634	3,613,040
<b>Total expenses incurred in delivery of services</b>		<b>10,784,550</b>	<b>7,659,599</b>

Note 3.1.1 Employee benefit expenses	2021 \$	2020 \$
Salaries, wages and other on costs	4,177,569	3,664,526
Superannuation expense	386,347	315,472
Termination benefits	-	66,561
<b>Total employee expenses</b>	<b>4,563,916</b>	<b>4,046,559</b>

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

The amount recognised in the Comprehensive Operating Statement in relation to superannuation consists of employer contributions for members of both defined benefit and defined contribution plans that are paid or payable during the reporting period. Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment.

**Note 3.1.2 Employee benefit provisions**

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

	2021	2020
	\$	\$
<i>Current provisions:</i>		
<b>Annual leave</b>		
Unconditional and expected to be settled within 12 months	210,882	203,456
Unconditional and expected to be settled after 12 months	10,090	35,679
<b>Long service leave</b>		
Unconditional and expected to be settled within 12 months	66,027	45,768
Unconditional and expected to be settled after 12 months	517,829	550,430
<b>Provisions related to employee benefits on-costs</b>		
Unconditional and expected to be settled within 12 months	84,708	74,678
Unconditional and expected to be settled after 12 months	75,567	84,704
<b>Total current provisions for employee benefits</b>	<b>965,103</b>	<b>994,715</b>
<i>Non-current provisions:</i>		
Employee Benefits	35,085	34,744
On-costs	4,891	4,589
<b>Total non-current provisions for employee benefits</b>	<b>39,976</b>	<b>39,333</b>
<b>Total Provisions for employee benefits</b>	<b>1,005,079</b>	<b>1,034,048</b>
<i>Reconciliation of movement in on-costs provisions:</i>		
<b>Opening balance</b>	<b>163,972</b>	<b>92,679</b>
Additional provisions recognised / (reduced)	62,867	158,493
Reduction due to transfers out	(56,216)	(83,804)
Effect of change in discount rate	(5,456)	(3,397)
<b>Closing balance</b>	<b>165,166</b>	<b>163,972</b>
<b>Current</b>	<b>160,275</b>	<b>159,382</b>
<b>Non-current</b>	<b>4,891</b>	<b>4,589</b>

**Wages and salaries, annual leave and personal leave**

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

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

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

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

**Long service leave**

Liability for 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 RMB does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- + Undiscounted value if the RMB expects to wholly settle within 12 months; and
- + Present value if the RMB does not expect to wholly settle within 12 months.

**Conditional LSL** is disclosed as a non-current liability. There is 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.

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 net result as an 'other economic flow'.

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

### Note 3.1.3 Superannuation contributions

Employees of the RMB are entitled to receive superannuation benefits and the RMB 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 RMB.

There were no unfunded liabilities in regard to the RMB's membership of defined benefit superannuation schemes. The RMB has no responsibility for an unfunded superannuation liability in respect to the defined benefit plans listed below. The RMB does not recognise a defined benefit liability in respect to any 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.

	<i>Paid Contribution for the Year</i>		<i>Contribution Outstanding at Year End</i>	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Defined benefit plan<sup>(a)</sup></b>				
GSO	13,928	12,284	979	979
<b>Defined contribution plans</b>				
Aust Super	53,536	43,358	5,881	5,881
Vic Super	163,131	123,391	13,988	13,988
Other	203,681	132,935	15,209	15,209
<b>Total</b>	<b>434,276</b>	<b>311,968</b>	<b>36,057</b>	<b>36,057</b>

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

**NOTE 3.2  
OTHER OPERATING EXPENSES**

	2021	2020
	\$	\$
<b>Contract payments, materials and services</b>		
Contractors	1,263,288	458,447
Consultants	228,751	207,617
Consumables (Cost of goods sold and general)	769,721	364,491
Maintenance & Materials	596,148	382,475
Other contract payments, materials and services	210,880	175,238
<b>Total contract payments, materials and services</b>	<b>3,068,789</b>	<b>1,588,268</b>
<b>Administration and compliance</b>		
Insurance	317,066	272,751
ARCC contributions	65,870	290,556
Legal	195,130	106,761
Other administration and compliance costs	747,717	429,349
<b>Total administration and compliance</b>	<b>1,325,782</b>	<b>1,099,418</b>
<b>Total utilities and telecommunications</b>	<b>621,794</b>	<b>452,328</b>
<b>Total marketing and communications</b>	<b>463,258</b>	<b>267,001</b>
Pandemic Expenditure	284,811	128,066
Expenses General	196,189	22,706
Volunteer Services Cost	82,319	-
Other operating expenses	177,692	55,253
<b>Total other operating expenses</b>	<b>741,011</b>	<b>206,025</b>

**Contract payments, materials and services** relate to the costs incurred with delivering services and maintaining the infrastructure of the resort, including intra-village bus service, cleaning, hard and recyclable waste. The costs are recognised either when the goods or service have been received, or in the terms agreed to in the contracts. Contract payments, materials and services in 2021 are higher than in the comparative period. COVID-19 impacted each of these seasons differently, 2020 winter season was reduced to a handful of operating days whilst 2021 winter season operated at around 50%-60% of normal capacity.

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

**Utilities and telecommunications** are those costs related to electricity and gas supply to assets owned by the RMB and public buildings, and the telecommunications required for operation of services provided by the RMB.

**Marketing and communications** costs relate to the promotion associated with growing and supporting visitation, including the snow and green season. These expense items are recognised when the goods and services are received, or in the terms stated in the agreements.

**Pandemic expenditure** includes miscellaneous items associated with general operations including expenditure directly related to COVIDSafe operations for 2021 e.g. resort entry platform upgrades for contract tracing capacity, additional cleaning, COVID-19 testing and emergency accommodation facilities, traffic management, and personal protective equipment. These costs are recognised when the goods or service have been received.

**Expenses general** includes miscellaneous items associated with general operations including write-off of some minor capital projects that have not gone past the planning and preliminary design phase, environmental health services contracts and reimbursement of staff ski lift passes. These costs are recognised when the goods or service have been received.

**Volunteer service costs (ski patrol)** are costs associated to contributions in the form of services and are recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

**Other operating expenses** includes miscellaneous items associated with general operations including seasonal rental of properties to accommodate key operating staff, maintenance and operating costs of motor vehicles, and funding offset accounts for works undertaken on minor projects (Eastern Summit and Police offset sites) funded by third parties. These costs are recognised when the goods or service have been received.



## SECTION 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

### INTRODUCTION

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

### STRUCTURE

- 4.1 Total property, plant and equipment
- 4.2 Investment properties

### NOTE 4.1

#### TOTAL PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount		Accumulated depreciation		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Land – leased	26,690,000	28,111,208	-	-	26,690,000	28,111,208
Land – non-leased	11,646,000	2,752,000	-	-	11,646,000	2,752,000
Buildings at fair value	8,139,882	7,575,761	-	(986,602)	8,139,882	6,589,159
Village and Community Infrastructure at fair value	6,907,052	5,670,327	(38,475)	(827,837)	6,868,577	4,842,491
Roads and car parks at fair value	11,080,087	8,334,838	-	(351,966)	11,080,087	7,982,871
Water at fair value	17,096,514	15,910,820	(3,002)	(1,843,996)	17,093,512	14,066,823
Sewerage at fair value	10,035,661	9,327,303	(1,346)	(1,167,299)	10,034,315	8,160,004
Gas at fair value	2,556,300	2,156,800	-	(297,590)	2,556,300	1,859,210
Plant, Equipment & Motor Vehicles at fair value	4,928,086	4,835,137	(3,950,374)	(3,664,837)	977,712	1,170,301
Capital Works in Progress at cost	7,184,142	2,757,373	-	-	7,184,142	2,757,373
<b>Total</b>	<b>106,263,723</b>	<b>87,431,566</b>	<b>(3,993,196)</b>	<b>(9,140,126)</b>	<b>102,270,527</b>	<b>78,291,440</b>

#### Initial recognition

Items with a cost or value in excess of \$2,000 and a useful life to the RMB 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.

#### Subsequent measurement

Property, plant and equipment is subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

**Valuation of Property, Plant and Equipment**

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the 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.

Land, buildings and infrastructure assets have undergone a full revaluation as at 31 December 2021 by the Valuer-General Victoria, as per the five year cycle. The market is being impacted by the uncertainty caused by COVID-19. As at the date of the valuation, the valuer considers that there is market uncertainty resulting in significant valuation uncertainty. The valuation has therefore been reported on the basis of 'significant valuation uncertainty'.

The RMB have assessed all other assets, given their nature and the purposes for which they are used, the RMB does not consider there is any impairment to the carrying value of these assets as a result of COVID-19.

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

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

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 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 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 7.3.1 *Fair Value Determination*.

**Impairment of property, plant and equipment**

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

<b>Note 4.1.1 Depreciation and impairment charge on Property, Plant, Infrastructure and Equipment for the year</b>	<i>2021</i>	<i>2020</i>
	\$	\$
Buildings	238,471	243,385
Infrastructure	1,205,195	1,429,172
Plant, equipment and motor vehicles	285,537	293,605
<b>Total Depreciation on Property, Plant, Infrastructure and Equipment</b>	<b>1,729,203</b>	<b>1,966,161</b>

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.

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.

An accelerated depreciation method has been applied to the RMB's Rising Main asset. This is due the replacement works undertaken on the existing asset and was decommissioned in May 2021. The accelerated depreciation was calculated by taking the written down value at 1 January 2020 and expected decommission date of 1 June 2021 and allocated on a straight line basis. This has resulted in an additional depreciation charge for 2021 of \$142,680 (2020: \$361,860).

Depreciation is generally calculated on a straight line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Depreciation rates currently applied to each class of asset are as follows:

Buildings	1.67% - 20%	Sewerage	1.25% - 5%
Community and Village Infrastructure	1.25% - 50%	Gas	2% - 6.67%
Roads and Car Parks	1.25% - 10%	Plant, Equipment and Motor Vehicles	5% - 50%
Water	1% - 30%		

The above rates have remained unchanged from the previous year, except where detailed above. Land assets, which are considered to have an indefinite life, are not depreciated.



**Note 4.1.2 Reconciliations of the carrying amounts of each class of asset at the beginning and end of the current financial year are set out below.**

	<i>Carrying amount at start of year</i>	<i>Transfers</i>	<i>Asset revaluation</i>	<i>Additions</i>	<i>Disposals at cost</i>	<i>Disposals accumulated depreciation</i>	<i>Depreciation expense</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2021</b>								
Land - leased	28,111,208	(6,542,000)	5,120,792	-	-	-	-	26,690,000
Land - non-leased	2,752,000	6,542,000	2,352,000	-	-	-	-	11,646,000
Buildings	6,589,159	-	1,789,193	-	-	-	(238,471)	8,139,882
Village and Community Infrastructure	4,842,491	562,188	1,656,612	22,868	-	-	(215,582)	6,868,577
Roads and Car Parks	7,982,871	27,987	3,171,938	-	-	-	(102,709)	11,080,087
Water	14,066,823	2,576,130	954,356	-	-	-	(503,797)	17,093,512
Sewerage	8,160,004	115,712	2,061,949	5,449	-	-	(308,799)	10,034,315
Gas	1,859,210	-	771,397	-	-	-	(74,307)	2,556,300
Plant, Equipment and Motor Vehicles	1,170,301	69,773	-	23,176	-	-	(285,537)	977,712
Capital Works in Progress	2,757,373	(3,351,789)	-	7,778,559	-	-	-	7,184,142
<b>Total</b>	<b>78,291,440</b>	<b>-</b>	<b>17,878,238</b>	<b>7,830,051</b>	<b>-</b>	<b>-</b>	<b>(1,729,203)</b>	<b>102,270,527</b>

	<i>Carrying amount at start of year</i>	<i>Transfers</i>	<i>Asset revaluation</i>	<i>Additions</i>	<i>Disposals at cost</i>	<i>Disposals accumulated depreciation</i>	<i>Depreciation expense</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2020</b>								
Land - leased	28,111,208	-	-	-	-	-	-	28,111,208
Land - non-leased	2,752,000	-	-	-	-	-	-	2,752,000
Buildings	6,832,544	-	-	-	-	-	(243,385)	6,589,159
Village and Community Infrastructure	4,712,584	398,645	-	-	(73,551)	28,304	(223,491)	4,842,491
Roads and Car Parks	7,450,287	629,214	-	-	-	-	(96,629)	7,982,871
Water	14,806,986	-	-	-	-	-	(740,163)	14,066,823
Sewerage	8,055,283	399,302	-	-	-	-	(294,580)	8,160,004
Gas	1,933,519	-	-	-	-	-	(74,309)	1,859,210
Plant, Equipment and Motor Vehicles	1,190,150	273,755	-	-	-	-	(293,605)	1,170,301
Capital Works in Progress	2,567,179	(1,700,915)	-	1,891,109	-	-	-	2,757,373
<b>Total</b>	<b>78,411,739</b>	<b>-</b>	<b>-</b>	<b>1,891,109</b>	<b>(73,551)</b>	<b>28,304</b>	<b>(1,966,161)</b>	<b>78,291,440</b>

**NOTE 4.2**  
**INVESTMENT PROPERTIES**

	2021	2020
	\$	\$
Balance at beginning of financial year	70,000	70,000
<b>Balance at end of financial year</b>	<b>70,000</b>	<b>70,000</b>

**Investment Property:** Investment properties represent the RMB’s interest in properties held to earn rentals and recorded as buildings in the asset register. Investment properties exclude properties held to meet service delivery objectives of the RMB. Rental income from the leasing of investment properties is recognised in the Comprehensive Operating Statement on a straight-line basis over the lease term.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the RMB.

Subsequent to initial recognition at cost, investment properties are revalued at fair value with changes in the fair value recognised as other economic flows in the comprehensive operating statement in the period they arise. Fair values are determined based on a market based direct comparison method whereby the property is compared to recent comparable improved sales making adjustment for points of difference.

The investment property held by the RMB has been revalued as at 31 December 2021 by the Valuer General Victoria (VGV).

## SECTION 5: OTHER ASSETS AND LIABILITIES

### INTRODUCTION

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

### STRUCTURE

- 5.1 Receivables
- 5.2 Payables
- 5.3 Inventories
- 5.4 Right-of-use assets
- 5.5 Other non-financial assets

### NOTE 5.1 RECEIVABLES

	2021	2020
	\$	\$
<b>Contractual</b>		
Trade debtors	2,402,105	2,303,950
<b>Statutory</b>		
GST receivable (net)	239,635	-
Infringement debtors	272,486	249,996
Less Allowance for expected credit losses (infringement debtors)	(234,817)	(177,939)
<b>Total receivables</b>	<b>2,679,409</b>	<b>2,376,007</b>

#### Receivables consist of:

- + Contractual receivables, are classified as financial instruments and are categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The RMB holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- + Statutory receivables, do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The RMB applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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 2021 the Penalty Interest Rate was 10% (2020 10%). The carrying value of debtors approximates fair value.

Debtors experiencing financial hardship due to Covid-19 can make an application to the RMB and it is expected balances will be recovered via the implementation of repayment plans for terms up to 24 months. In the case of default will be recoverable under re-sale provisions contained within the head-lease.

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

#### Allowance for expected credit losses and bad debts

The RMB has applied the simplified approach to measuring expected credit losses under AASB 9, which uses a lifetime expected loss allowance. The allowance for expected credit losses assessment made for infringement debtors requires a degree of estimation and judgement. Infringement debtors are based on the lifetime expected credit loss, grouped based on percentage of infringements expected to be withdrawn, percentage of infringements expected to be paid and the collectability of the infringements expected to be paid.

At the end of each reporting period, the RMB 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.

Credit loss allowance movements are classified as other economic flows in the net result. However, when it becomes mutually agreed between debtor and creditor that the receivable has become uncollectible, the carrying amount of the receivable is reduced, and a bad debt expense for the write-off is recognised in the net result as a transaction.

The RMB has reviewed the carrying value of property receivables and has determined that there are no receivable impairments to bring to account. This has been determined on the basis that the terms and conditions of the Board's financial hardship policy allow for repayment terms of up to 24 months are available to head lessees as a result of COVID-19. Further default can be recoverable under re-sale provisions within the head-lease.

<i>Aging analysis of Trade Debtors</i>	Current \$	1-2 months \$	> 3 months \$	Total \$
<b>31 December 2020</b>				
Trade debtors	1,483,687	95,366	724,897	2,303,950
<b>31 December 2021</b>				
Trade debtors	1,068,357	404,213	929,535	2,402,105

<i>Allowance for expected credit loss analysis</i>	Current \$	1-3 months \$	3 months - 1 year \$	Total \$
<b>31 December 2020</b>				
Expected loss rate (%)	0%	0%	71%	
Gross carrying amount of infringement debtors	-	-	249,996	249,996
<b>Loss allowance</b>	-	-	<b>177,939</b>	<b>177,939</b>
<b>31 December 2021</b>				
Expected loss rate (%)	0%	0%	86%	
Gross carrying amount of infringement debtors	-	-	272,486	272,486
<b>Loss allowance <sup>(a)</sup></b>	-	-	<b>234,817</b>	<b>234,817</b>

<i>Movement in Allowance for expected credit losses</i>	2021 \$	2020 \$
Balance at the beginning of the year	(177,939)	(205,955)
New provisions recognised	(63,864)	-
Amounts written off as uncollectible	6,986	28,016
<b>Balance at the end of the year</b>	<b>(234,817)</b>	<b>(177,939)</b>

Receivables are written off when there is not a reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan and no active enforcement activity.



**NOTE 5.2  
PAYABLES**

	2021	2020
	\$	\$
<b>Contractual</b>		
Trade creditors	-	120,944
Accrued expenses	1,182,237	498,132
Contract liabilities	741,399	481,237
Deferred Capital Grant Revenue	3,342,458	2,580,000
Other payables	28,338	139,946
<b>Statutory</b>		
PAYG, FBT and GST liabilities payable	75,164	20,301
<b>Total current payables</b>	<b>5,369,596</b>	<b>3,840,561</b>

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

**Payables consist of:**

- + Contractual payables are classified as financial instruments and measured as financial liabilities at amortised cost. Accounts payable represent liabilities for goods and services provided to the RMB prior to the end of the financial year that are unpaid, and arise when the RMB becomes obliged to make future payments in respect of the purchase of those goods and services; and
- + Contractual Liabilities. Where revenue is received in advance of related obligations being met revenue is deferred on the balance sheet. If the grant revenue is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant income in relation to the construction of capital assets which the RMB controls is recognised in accordance with AASB 1058 and recognised as deferred capital grant income.
- + Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.
- + Trade Creditors have an average credit period of 30 days.

	2021	2020
	\$	\$
<b>Note 5.2.1 Deferred Capital Grant Income</b>		
Grant consideration for capital works recognised included in the deferred grant liability balance at the beginning of the year	2,580,000	-
Grant consideration for capital works received during the year	4,298,889	2,736,000
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(3,536,431)	(156,000)
<b>Closing balance of deferred consideration received for capital works</b>	<b>3,342,458</b>	<b>2,580,000</b>

Grant consideration was received from the Commonwealth Government to support the construction of multiple capital projects including: Whiskey Flat Alpine Recreation Facility Project, Growing Mt Hotham – Alpine Gateway Project, Bushfire Recovery Regional Economic Stimulus and Resilience Mt Hotham Snow Play & Activity Hub (Wire Plain) and the Mt Hotham Visitor Economy Growth and Resilience project. Grant income is recognised progressively as the asset is constructed, since this is the time when the RMB satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done (see note 2.2.4). As a result, the RMB defers recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

<b>Note 5.2.2 Contract Liabilities</b>	2021	2020
	\$	\$
Opening balance brought forward	481,237	61,792
Contract liabilities and grant consideration for sufficiently specific performance obligations received during the year	4,071,653	1,039,876
Contract liabilities and grant revenue for sufficiently specific performance obligations recognised consistent with the performance obligations met during the year	(3,811,492)	(620,431)
<b>Closing balance</b>	<b>741,399</b>	<b>481,237</b>

Contract liabilities include grant consideration received in advance from DELWP provided COVID-19 funding support. This revenue will be brought to account during January 2022 for operational requirements as per the performance obligations. In addition, consideration was also received in advance for site rental, service charges, gas utilisation and nursery plants to be delivered in 2022. These items will be recognised once the performance obligation have been met. The performance obligation will be met for these when the goods and services have been delivered.

**Maturity analysis of contractual payables<sup>(a)</sup>**

	Carrying amount \$	Nominal amount \$	Maturity dates				
			Less than 1 month \$	1-3 months \$	3 months - 1 year \$	1-5 years \$	5+ years
<b>2021</b>							
Trade creditors	-	-	-	-	-	-	-
Accrued expenses	1,182,237	1,182,237	1,182,237	-	-	-	-
Other payables	28,338	28,338	28,338	-	-	-	-
<b>Total</b>	<b>1,210,575</b>	<b>1,210,575</b>	<b>1,210,575</b>	-	-	-	-
<b>2020</b>							
Trade creditors	120,944	120,944	120,944	-	-	-	-
Accrued expenses	498,132	498,132	498,132	-	-	-	-
Other payables	139,946	139,946	139,946	-	-	-	-
<b>Total</b>	<b>759,023</b>	<b>759,023</b>	<b>759,023</b>	-	-	-	-

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

**NOTE 5.3 INVENTORIES**

	2021	2020
	\$	\$
<b>Current inventories</b>		
<b>Supplies and consumables:</b>		
Fuel at cost	34,029	8,679
	<b>34,029</b>	<b>8,679</b>
<b>Inventories held for sale:</b>		
Gas at cost	87,408	57,221
Horticultural Plants at cost	58,521	52,729
	145,929	109,950
<b>Total inventories</b>	<b>179,958</b>	<b>118,629</b>

**Inventories** comprise goods for resale and goods for consumption in the ordinary course of operations. All inventories are valued at the lower of cost and net realisable value. The carrying amounts of any inventories held for distribution are expensed when distributed.

**NOTE 5.4  
RIGHT-OF-USE ASSETS**

	2021	2020
	\$	\$
Gross Carrying Amount	83,315	83,315
Accumulated Depreciation	(35,721)	(27,560)
<b>Net carrying amount</b>	<b>47,594</b>	<b>55,755</b>
<i>Depreciation on right-of-use assets (ROU)</i>		
Right-of-use asset – Dell Computers	-	5,619
Right-of-use asset – Fuji Xerox Printer	6,802	6,802
Right-of-use asset – Moritz Apartments	1,359	1,359
<b>Total Depreciation on right-of-use assets</b>	<b>8,161</b>	<b>13,780</b>
<b>Opening balance – 1 January 2020</b>		69,535
Depreciation		(13,780)
<b>Closing Balance – 31 December 2020</b>		<b>55,755</b>
<b>Opening balance – 1 January 2021</b>		55,755
Depreciation		(8,161)
<b>Balance at 31 December 2021</b>		<b>47,594</b>

**Right-of-use assets:** The RMB recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- + any lease payments made at or before the commencement date less any lease incentive received; plus
- + any initial direct costs incurred; and
- + an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The RMB depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

**NOTE 5.5  
OTHER NON-FINANCIAL ASSETS**

	2021	2020
	\$	\$
Prepayments	229,190	222,612
<b>Total current other non-financial assets</b>	<b>229,190</b>	<b>222,612</b>

**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.

## SECTION 6: HOW WE FINANCED OUR OPERATIONS

### INTRODUCTION

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

### STRUCTURE

- 6.1 Borrowings and lease liabilities
- 6.2 Cash flow information and balances
- 6.3 Commitments for expenditure

### NOTE 6.1 BORROWINGS AND LEASE LIABILITIES

	2021 \$	2020 \$
<b>Current</b>		
Fixed interest loan from TCV <sup>(i)</sup>	135,877	127,295
Lease liabilities <sup>(ii)</sup>	1,633	7,551
<b>Non-Current</b>		
Fixed interest loan from TCV <sup>(i)</sup>	734,099	869,976
Lease liabilities <sup>(ii)</sup>	51,506	53,246
<b>Total Borrowings</b>	<b>923,115</b>	<b>1,058,067</b>

(i) Secured by the Treasurer in the form of Government guarantee

(ii) Secured by the assets leased

### Maturity analysis of borrowings

	Carrying amount	Nominal amount	Maturity dates			
			1-3 months	3 months - 1 year	1-5 years	5+ years
	\$	\$	\$	\$	\$	\$
<b>2021</b>						
Loans from TCV	869,976	869,976	33,143	102,734	734,099	-
Lease liabilities	53,139	53,139	1,605	29	578	50,928
<b>Total</b>	<b>923,115</b>	<b>923,115</b>	<b>34,748</b>	<b>102,763</b>	<b>734,677</b>	<b>50,928</b>
<b>2020</b>						
Loans from TCV	997,271	997,271	31,049	96,245	777,370	92,606
Lease liabilities	60,797	60,797	2,806	4,744	1,992	51,254
<b>Total</b>	<b>1,058,067</b>	<b>1,058,067</b>	<b>33,856</b>	<b>100,990</b>	<b>779,362</b>	<b>143,860</b>

**Borrowings:** refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria and lease liabilities. Borrowings are classified as financial instruments.

**Fixed interest TCV loans:** are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.



**Lease liabilities**

The RMB leases various items of office equipment and a property. The lease contracts terms are between three and seven years and property leases with a 37 year remaining lease term. These contracts do not allow RMB to purchase the facilities after the lease ends, but the lease can be renewed.

**Lease Liability - initial measurement**

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the RMB's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- + fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- + variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- + amounts expected to be payable under a residual value guarantee; and
- + payments arising from purchase and termination options reasonably certain to be exercised.

**Lease Liability - subsequent measurement**

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

**Short-Term Leases**

The RMB has elected to account for short-term leases which are less than a year using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

**Amounts recognised in the Comprehensive Operating Statement relating to leases**

	2021	2020
	\$	\$
Interest expense on lease liabilities	2,223	2,494
Expenses relating to short term leases	52,000	5,720
Depreciation expense on lease liabilities	8,161	13,780
<b>Total amount recognised in the statement of comprehensive income</b>	<b>62,384</b>	<b>21,994</b>

**Amounts recognised in the Statement of Cashflows relating to leases**

Total cash outflow for leases - principal component	7,657	10,985
Total cash outflow for leases - interest component	2,223	2,494
<b>Total amount recognised in the statement of cashflows</b>	<b>9,880</b>	<b>13,479</b>

**Note 6.1.1 Interest on borrowings**
**Interest expense:** Interest expense on loans and leases

	2021	2020
	\$	\$
<b>Interest expense</b>		
Interest on government loans	62,405	70,452
Interest on leases	2,223	2,494
<b>Total interest expense</b>	<b>64,628</b>	<b>72,946</b>

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

**NOTE 6.2  
CASHFLOW INFORMATION AND BALANCES**

	2021	2020
	\$	\$
<b>Current</b>		
Cash and cash equivalents	3,921,509	3,778,600
<b>Balance as per cash flow statement</b>	<b>3,921,509</b>	<b>3,778,600</b>

**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 6.2.1 Reconciliation of net results for the period to cash flow from operating activities**

	2021	2020
	\$	\$
<b>Net Result for the reporting period</b>	<b>5,241,791</b>	<b>(2,112,317)</b>
<b>Non-Cash Movements</b>		
Depreciation on PPE	1,729,203	1,966,161
Depreciation of ROU	8,161	13,780
(Gain) / loss on sale of disposal of non-current assets	-	45,247
<b>Change in operating assets and liabilities</b>		
Decrease / (increase) in receivables	(303,401)	(1,571,496)
Decrease / (increase) in inventories	(61,329)	16,042
Decrease / (increase) in prepayments	(6,578)	(8,755)
Increase / (decrease) in payables	844,929	2,236,461
Increase / (decrease) in accrued expenditure	684,104	44,951
Increase / (decrease) in employee entitlements	(28,969)	(52,245)
<b>Net Cash Inflow from operating activities</b>	<b>8,107,912</b>	<b>577,830</b>

**NOTE 6.3**  
**COMMITMENTS FOR EXPENDITURE -**  
**TOTAL COMMITMENTS PAYABLE**

	<i>Less than 1 year \$</i>	<i>1-5 years \$</i>	<i>5+ years \$</i>	<i>Total \$</i>
<b>2021</b>				
Operating commitments payable	999,398	1,311,159	-	2,310,557
Capital Commitments Payable	4,461,180	-	-	4,461,180
<b>Total commitments (inclusive of GST)</b>	<b>5,460,578</b>	<b>1,311,159</b>	<b>-</b>	<b>6,771,737</b>
Less GST recoverable				(615,612)
<b>Total commitments (exclusive of GST)</b>				<b>6,156,125</b>
<b>2020</b>				
Operating commitments payable	1,437,550	119,169	-	1,556,719
Capital Commitments Payable	5,788,517	1,815,565	-	7,604,082
<b>Total commitments (inclusive of GST)</b>	<b>7,226,067</b>	<b>1,934,734</b>	<b>-</b>	<b>9,160,801</b>
Less GST recoverable				(844,496)
<b>Total commitments (exclusive of GST)</b>				<b>8,316,305</b>

**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.

## SECTION 7: RISK, CONTINGENCIES & VALUATION JUDGEMENTS

### INTRODUCTION

The RMB 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 a higher level of judgement to be applied. For the RMB, judgement was primarily applied to fair value determination.

The RMB's principal financial instruments comprise:

- + cash and deposits;
- + term deposits;
- + receivables;
- + payables;
- + loans from TCV; and
- + lease liabilities

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 for holding financial instruments is to prudentially manage the RMB's financial risks within the government policy parameters. The RMB's main financial risks include credit risk, liquidity risk and interest rate risk which are managed in accordance with the financial risk management policy. The RMB uses different methods to measure and manage the different risks to which it is exposed.

Interest rate risk exposure is insignificant and might arise primarily through the RMB's interest bearing liabilities. Minimisation of risk is achieved by using fixed rate or non-interest bearing financial instruments. The RMB mainly incurs financial liabilities with relatively even maturity profiles. There has been no change to the RMB's credit risk profile in the 2021 financial year. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired.

**Interest rate risk exposure:** The RMB'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:

### STRUCTURE

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

### NOTE 7.1

#### FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

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

#### Categories of financial assets

The RMB has classified all financial assets as 'financial assets at amortised cost' under AASB 9. These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Board recognises the following assets in this category:

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

#### Categories of financial liabilities

The RMB has classified all financial liabilities as 'financial liabilities at amortised cost' under AASB 9. These liabilities are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

The RMB recognises the following liabilities in this category:

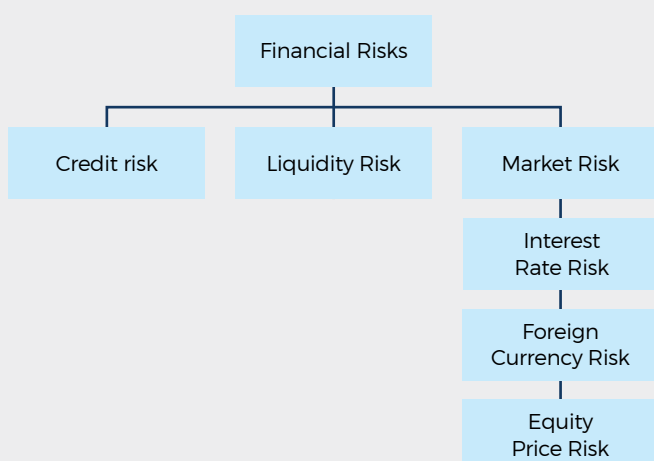
- + payables (excluding statutory payables); and
- + borrowings (including lease liabilities).



**7.1.1 Financial instruments: Categorisation**

2021	<i>Financial assets at amortised cost</i> \$	<i>Financial liabilities at amortised cost</i> \$	<i>Total</i> \$
<b>Contractual financial assets</b>			
Cash and deposits	3,921,509	-	3,921,509
Receivables <sup>(i)</sup>	2,402,105	-	2,402,105
<b>Total contractual financial assets</b>	<b>6,323,614</b>	<b>-</b>	<b>6,323,614</b>
<b>Contractual financial liabilities</b>			
Accounts Payable <sup>(i)</sup>	-	1,210,575	1,210,575
Fixed Rate Borrowings - TCV	-	869,976	869,976
Lease Liabilities	-	53,139	53,139
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>2,133,689</b>	<b>2,133,689</b>
<b>2020</b>			
<b>Contractual financial assets</b>			
Cash and deposits	3,778,600	-	3,778,600
Receivables <sup>(i)</sup>	2,303,950	-	2,303,950
<b>Total contractual financial assets</b>	<b>6,082,550</b>	<b>-</b>	<b>6,082,550</b>
<b>Contractual financial liabilities</b>			
Accounts Payable <sup>(i)</sup>	-	759,023	759,023
Fixed Rate Borrowings - TCV	-	997,271	997,271
Lease Liabilities	-	60,797	60,797
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>1,817,090</b>	<b>1,817,090</b>

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

**Note 7.1.2 Financial risk management objectives and policies**


**Credit quality of financial assets**

2021	Financial institution (triple-A credit rating)	Government agencies (triple-A credit rating)	Other	Total
		\$	\$	\$
<b>Financial assets</b>				
Cash and deposits	3,921,509	-	-	3,921,509
Statutory receivables	-	-	2,402,105	2,402,105
<b>Total financial assets</b>	<b>3,921,509</b>	<b>-</b>	<b>2,402,105</b>	<b>6,323,614</b>

2020	Financial institution (triple-A credit rating)	Government agencies (triple-A credit rating)	Other	Total
		\$	\$	\$
<b>Financial assets</b>				
Cash and deposits	3,778,600	-	-	3,778,600
Statutory receivables	-	1,050,000	1,253,950	2,303,950
<b>Total financial assets</b>	<b>3,778,600</b>	<b>1,050,000</b>	<b>1,253,950</b>	<b>6,082,550</b>

**Interest rate exposure of financial instruments**

2021	Weighted average interest rate	Carrying amount	Fixed interest	Variable interest	Non- interest bearing
	%	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	0.67%	3,921,509	2,000,000	-	1,921,509
Receivables and other receivables <sup>(i)</sup>		2,402,105	-	-	2,402,105
		<b>6,323,614</b>	<b>2,000,000</b>	<b>-</b>	<b>4,323,615</b>
<b>Financial liabilities</b>					
Accounts Payable <sup>(i)</sup>		1,210,575	-	-	1,210,575
Fixed Rate Borrowings - TCV	6.58%	869,976	869,976	-	-
Lease Liabilities		53,139	53,139	-	-
		<b>2,133,691</b>	<b>923,116</b>	<b>-</b>	<b>1,210,575</b>

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

2020	Weighted average interest rate	Carrying amount	Fixed interest	Variable interest	Non-interest bearing
	%	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	1.67%	3,778,600	2,050,000	-	1,728,600
Receivables and other receivables <sup>(i)</sup>		2,303,950	-	-	2,303,950
		<b>6,082,550</b>	<b>2,050,000</b>	-	<b>4,032,551</b>
<b>Financial liabilities</b>					
Accounts Payable <sup>(i)</sup>		759,023	-	-	759,023
Fixed Rate Borrowings - TCV	6.58%	997,271	997,271	-	-
Lease Liabilities	3.08%	60,797	60,797	-	-
		<b>1,817,090</b>	<b>1,058,068</b>	-	<b>759,023</b>

(i) 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)

#### 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 risk sensitivity

Financial assets	Carrying amount	-1.0%	-1.0%	1.0%	1.0%
	\$	Net result	Equity	Net result	Equity
<b>2021</b>					
Cash exposed to variable interest rates and short term deposits	3,921,509	(39,215)	(39,215)	39,215	39,215
<b>2020</b>					
Cash exposed to variable interest rates and short term deposits	3,778,600	(37,786)	(37,786)	37,786	37,786

**Market risk:** The RMB's exposure to market risk is primarily through interest rate risk as detailed below.

**Interest rate risk sensitivity:** The RMB's exposure to interest rate risk is minimal, as exposure is limited to cash and deposit balances held. Taking into account past performance and future expectations, a 1% increase or decrease in interest rates is reasonably possible over the next 12 months. The effect on cash assets would be an increase or decrease in fair value of \$39,215 (2020: \$37,786).

**Credit risk exposures:** Credit risk refers to the possibility that a site holder or infringement debtor will default on its financial obligations as and when they fall due. The RMB's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the RMB. Credit risk is measured at fair value and is monitored on a regular basis.

The RMB makes every attempt to communicate with site holders and infringement debtors regarding any overdue financial obligations. RMB policies are in place to ensure that sufficient communication is undertaken with site holders via various methods and communicated back to management in a timely manner. As discussed in Note 2.2.5, in accordance with the *COVID-19 Omnibus (Emergency Measures) (Commercial Leases and Licences) Regulations 2020*, interest has not been applied on outstanding tenants debts from 27/4/2020 and will be reviewed on expiry of the existing Omnibus.

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

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the RMB will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments and debts that are more than 60 days overdue.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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

There has been no material change to the RMB's credit risk profile in 2021.

Refer to Note 5.1 for further details in respect to the RMB's calculation of expected credit losses in relation to receivables balances.

**Liquidity risk:** Liquidity risk arises when the RMB is unable to meet its financial obligations when they fall due. The RMB operates under the Government fair payments policy of settling financial obligations within 30 days. In the event of a dispute, the RMB makes payment within 30 days from the date of resolution. The RMB also continuously manages risk through monitoring future cashflows and planning deposit maturities to ensure an adequate holding of high quality liquid assets. In addition, the RMB only invests in highly liquid markets.

Due to the impact of Covid-19 (see Note 1.3) there has been a change in the creditor payment period to 14 days and also reliance on Government support to manage liquidity, given the depletion of cash reserves.

### NOTE 7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no unquantifiable contingent liabilities. There are no contingent assets (2020 Nil).



## NOTE 7.3 FAIR VALUE DETERMINATION

### Significant judgement:

#### Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- + financial assets and liabilities at fair value through operating result;
- + land, buildings, infrastructure, plant and equipment; and
- + investment properties.

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

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

#### Fair value hierarchy

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

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

### Fair value Determination of financial assets and liabilities

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

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

The RMB currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2021 reporting period.

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 Board's independent valuation agency.

**7.3.1 Fair value determination: non-financial physical assets**

Fair value measurement hierarchy	Carrying amount as at 31 Dec 2021	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
2021	\$	\$	\$
<b>Land at fair value</b>			
Specialised land	265,000	265,000	-
Non-specialised land	38,071,000	-	38,071,000
<b>Total of Land at fair value</b>	<b>38,336,000</b>	<b>265,000</b>	<b>38,071,000</b>
<b>Buildings at fair value</b>			
Non-specialised buildings	1,320,000	1,320,000	-
Specialised buildings	6,819,882	-	6,819,882
<b>Total of Buildings at fair value</b>	<b>8,139,882</b>	<b>1,320,000</b>	<b>6,819,882</b>
<b>Village and Community Infrastructure at fair value</b>			
Village and Community Infrastructure at fair value	6,868,577	-	6,868,577
<b>Total of Village and Community Infrastructure at fair value</b>	<b>6,868,577</b>	<b>-</b>	<b>6,868,577</b>
<b>Roads and Car Parks at fair value</b>			
Roads and Car Parks at fair value	11,080,087	-	11,080,087
<b>Total of Roads and Car Parks at fair value</b>	<b>11,080,087</b>	<b>-</b>	<b>11,080,087</b>
<b>Water Assets at fair value</b>			
Headworks	2,800,000	-	2,800,000
Distribution works	657,500	-	657,500
Treatment	312,000	-	312,000
Water storage	3,560,000	-	3,560,000
Water reticulation	4,078,012	-	4,078,012
Drains	5,686,000	-	5,686,000
<b>Total of Water Assets at fair value</b>	<b>17,093,512</b>	<b>-</b>	<b>17,093,512</b>
<b>Sewerage Assets at fair value</b>			
WWTP	3,667,315	-	3,667,315
Sewer pump wells	811,000	-	811,000
Sewer reticulation	3,159,000	-	3,159,000
Ultrafiltration	2,397,000	-	2,397,000
<b>Total of Sewerage Assets at fair value</b>	<b>10,034,315</b>	<b>-</b>	<b>10,034,315</b>
<b>Gas Assets at fair value</b>			
Gas storage	667,300	-	667,300
Gas reticulation	1,857,000	-	1,857,000
Customer supply	32,000	-	32,000
<b>Total of Gas Assets at fair value</b>	<b>2,556,300</b>	<b>-</b>	<b>2,556,300</b>
<b>Plant, Equipment and Vehicles at fair value</b>			
Vehicles	143,194	-	143,194
Plant and equipment	834,518	-	834,518
<b>Total of Plant, Equipment and Vehicles at fair value</b>	<b>977,712</b>	<b>-</b>	<b>977,712</b>

(i) Classified in accordance with the fair value hierarchy, see note 7.3  
Assets under construction are excluded from the table above as they are measured at cost.

**7.3.1 Fair value determination: non-financial physical assets**

Fair value measurement hierarchy	Carrying amount as at 31 Dec 2020	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
2020	\$	\$	\$
<b>Land at fair value</b>			
Specialised land	30,863,208	-	30,863,208
<b>Total of Land at fair value</b>	<b>30,863,208</b>	<b>-</b>	<b>30,863,208</b>
<b>Buildings at fair value</b>			
Specialised buildings	6,589,159	-	6,589,159
<b>Total of Buildings at fair value</b>	<b>6,589,159</b>	<b>-</b>	<b>6,589,159</b>
<b>Village and Community Infrastructure at fair value</b>			
Village and Community Infrastructure at fair value	4,842,491	-	4,842,491
<b>Total of Village and Community Infrastructure at fair value</b>	<b>4,842,491</b>	<b>-</b>	<b>4,842,491</b>
<b>Roads and Car Parks at fair value</b>			
Roads and Car Parks at fair value	7,982,871	-	7,982,871
<b>Total of Roads and Car Parks at fair value</b>	<b>7,982,871</b>	<b>-</b>	<b>7,982,871</b>
<b>Water Assets at fair value</b>			
Headworks	2,898,000	-	2,898,000
Distribution works	1,080,787	-	1,080,787
Treatment	285,009	-	285,009
Water storage	2,778,409	-	2,778,409
Water reticulation	1,199,719	-	1,199,719
Drains	5,824,900	-	5,824,900
<b>Total of Water Assets at fair value</b>	<b>14,066,823</b>	<b>-</b>	<b>14,066,823</b>
<b>Sewerage Assets at fair value</b>			
WWTP	3,536,559	-	3,536,559
Sewer pump wells	623,425	-	623,425
Sewer reticulation	2,033,228	-	2,033,228
Ultrafiltration	1,966,793	-	1,966,793
<b>Total of Sewerage Assets at fair value</b>	<b>8,160,004</b>	<b>-</b>	<b>8,160,004</b>
<b>Gas Assets at fair value</b>			
Gas storage	673,745	-	673,745
Gas reticulation	1,148,340	-	1,148,340
Customer supply	37,125	-	37,125
<b>Total of Gas Assets at fair value</b>	<b>1,859,210</b>	<b>-</b>	<b>1,859,210</b>
<b>Plant, Equipment and Vehicles at fair value</b>			
Vehicles	215,003	-	215,003
Plant and equipment	955,298	-	955,298
<b>Total of Plant, Equipment and Vehicles at fair value</b>	<b>1,170,301</b>	<b>-</b>	<b>1,170,301</b>

(i) Classified in accordance with the fair value hierarchy, see note 7.3

Assets under construction are excluded from the table above as they are measured at cost.

There have been transfers between levels during the period as a result of assets that have level 2 inputs, in accordance with their valuation methodology being based on market influences.

### Specialised land and specialised buildings

The market based direct comparison is used for owner occupied land and the present value (PV) of future cash flows is used for leased land. Specialised land is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued as at 31 December 2021.

The CSO is an allowance made to reflect the difference between unrestricted freehold land and assets held by the Public Sector which may be affected due to political, social and economic restraints. This may arise because the land is Crown Land and in a Public Use Zone or is considered an iconic property that would be difficult to sell. As CSO allowances are considered significant unobservable inputs in nature, specialised land are classified as Level 3 fair value measurements.

The Fair Value for the land under lease 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 (unexpired) term of the lease. As there are significant unobservable inputs involved in lease valuation, leased land is classified as Level 3 fair value measurements.

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

An independent valuation of the RMB's specialised land and specialised buildings was performed by PwC on behalf of the Valuer-General Victoria. The market is being impacted by the uncertainty caused by COVID-19. This valuation is therefore reported on the basis of 'significant valuation uncertainty'. This valuation is current as at 31 December 2021. The replacement value assessed for specialised land and buildings may change significantly over a short period of time (including as a result of factors that the Valuer could not have reasonably been aware of as at valuation date).

### Non-specialised land and non-specialised buildings

Non-specialised land is valued using the market approach. Under this valuation method the assets are compared to recent comparable sales or sale of comparable assets which are considered to have a nominal or no added improvement value. To the extent that non-specialised land does not contain significant unobservable adjustments these assets are classified as Level 2 under the market based direct comparison approach.

Non-specialised buildings are general purpose or commercial buildings where there is a secondary market and a market value can be determined by appraisal. To the extent that non-specialised buildings do not contain significant unobservable adjustments these assets are classified as Level 2 under the market appraisal approach.

An independent valuation of the RMB's non-specialised land and non-specialised buildings was performed by PwC on behalf of the Valuer-General Victoria. The market is being impacted by the uncertainty caused by COVID-19. This valuation is therefore reported on the basis of 'significant valuation uncertainty'. This valuation is current as at 31 December 2021. The replacement value assessed for non-specialised land and buildings may change significantly over a short period of time (including as a result of factors that the Valuer could not have reasonably been aware of as at valuation date).

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

All village and community infrastructure, roads and car parks, water, sewage and 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 roads and car parks, water, sewerage and gas infrastructure assets.

An independent valuation of the RMB's village and community infrastructure, roads and car parks was performed by PwC on behalf of the Valuer-General Victoria. The market is being impacted by the uncertainty caused by COVID-19. This valuation is therefore reported on the basis of 'significant valuation uncertainty'. This valuation is current as at 31 December 2021. The replacement value assessed may change significantly over a short period of time (including as a result of factors that the Valuer could not have reasonably been aware of as at valuation date).



**Vehicles**

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

**Plant and equipment**

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 current replacement cost method.

There were no changes in valuation techniques throughout the period to 31 December 2021.

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*

2021	Opening balance	Transfers to Level 2	Purchases (sales)	Revaluation	Depreciation	Closing balance
	\$	\$	\$	\$	\$	\$
Specialised land	30,863,208	(265,000)	-	7,472,792	-	38,071,000
Specialised buildings	6,589,159	(1,320,000)	-	1,789,193	(238,471)	6,819,882
Village and Community Infrastructure	4,842,491	-	585,055	1,656,612	(215,582)	6,868,577
Roads and car parks	7,982,871	-	27,987	3,171,938	(102,709)	11,080,087
Headworks	2,898,000	-	-	(35,000)	(63,000)	2,800,000
Distribution works	1,080,787	-	2,383	(391,509)	(34,162)	657,500
Treatment	285,009	-	-	48,605	(21,613)	312,000
Water storage	2,778,409	-	-	871,125	(89,534)	3,560,000
Water reticulation	1,199,719	-	2,573,746	526,687	(222,141)	4,078,012
Drains	5,824,900	-	-	(65,552)	(73,348)	5,686,000
WWTP	3,536,559	-	121,161	112,926	(103,330)	3,667,315
Sewer pump wells	623,425	-	-	221,198	(33,623)	811,000
Sewer reticulation	2,033,228	-	-	1,178,331	(52,559)	3,159,000
Ultrafiltration	1,966,793	-	-	549,494	(119,287)	2,397,000
Gas storage	673,745	-	-	16,811	(23,255)	667,300
Gas reticulation	1,148,340	-	-	758,587	(49,927)	1,857,000
Customer Supply	37,125	-	-	(4,000)	(1,125)	32,000
Plant, Equipment and Vehicles	1,170,301	-	92,948	-	(285,537)	977,712

*Reconciliation of Level 3 fair value movements*

<b>2020</b>	<i>Opening balance</i>	<i>Transfers to Level 2</i>	<i>Purchases (sales)</i>	<i>Revaluation</i>	<i>Depreciation</i>	<i>Closing balance</i>
	\$	\$	\$	\$	\$	\$
Specialised land	30,863,208	-	-	-	-	30,863,208
Specialised buildings	6,832,544	-	-	-	(243,385)	6,589,159
Village and Community Infrastructure	4,712,585	-	353,398	-	(223,491)	4,842,491
Roads and car parks	7,450,287	-	629,214	-	(96,629)	7,982,871
Headworks	2,961,000	-	-	-	(63,000)	2,898,000
Distribution works	1,114,948	-	-	-	(34,161)	1,080,787
Treatment	306,622	-	-	-	(21,613)	285,009
Water storage	2,867,943	-	-	-	(89,534)	2,778,409
Water reticulation	1,658,226	-	-	-	(458,506)	1,199,719
Drains	5,898,247	-	-	-	(73,348)	5,824,900
WWTP	3,500,813	-	131,096	-	(95,351)	3,536,559
Sewer pump wells	543,051	-	103,463	-	(23,089)	623,425
Sewer reticulation	1,925,339	-	164,742	-	(56,853)	2,033,228
Ultrafiltration	2,086,080	-	-	-	(119,287)	1,966,793
Gas storage	697,002	-	-	-	(23,257)	673,745
Gas reticulation	1,198,267	-	-	-	(49,927)	1,148,340
Customer Supply	38,250	-	-	-	(1,125)	37,125
Plant, Equipment and Vehicles	1,190,150	-	273,755	-	(293,605)	1,170,301

**Description of significant unobservable inputs to Level 3 valuations**

2020 and 2021	Valuation Technique	Significant unobservable inputs
<b>Specialised land</b>	Owner Occupied: Market Approach Leased Land: Income Approach Non-leased land: Market Approach	Extent and impact of restriction of use discount rate and lease income receipts Community service obligation (CSO)
<b>Non-specialised land</b>	Owner Occupied: Market Approach Leased Land: Income Approach Non-leased land: Market Approach	Direct cost per square metre Direct cost per parcel Sale of comparable assets
<b>Specialised buildings</b>	Depreciated replacement cost	Replacement cost per square metre Useful life of specialised buildings
<b>Non-specialised buildings</b>	Market Approach	Direct cost per square metre Sale of comparable assets
<b>Village and Community Infrastructure</b>	Depreciated replacement cost	Cost per unit Useful life of infrastructure
<b>Roads and car parks</b>	Depreciated replacement cost	Cost per unit Useful life of infrastructure
<b>Headworks</b>	Depreciated replacement cost	Cost per unit Useful life of headworks
<b>Distribution works</b>	Depreciated replacement cost	Cost per unit Useful life of distribution works
<b>Treatment</b>	Depreciated replacement cost	Cost per unit Useful life of treatment
<b>Water storage</b>	Depreciated replacement cost	Cost per unit Useful life of water storage
<b>Water reticulation</b>	Depreciated replacement cost	Cost per unit Useful life of water reticulation
<b>Drains</b>	Depreciated replacement cost	Cost per unit Useful life of drains
<b>WWTP</b>	Depreciated replacement cost	Cost per unit Useful life of WWTP
<b>Sewer pump wells</b>	Depreciated replacement cost	Cost per unit Useful life of sewer pump wells
<b>Sewer reticulation</b>	Depreciated replacement cost	Cost per unit Useful life of sewer reticulation
<b>Ultrafiltration</b>	Depreciated replacement cost	Cost per unit Useful life of ultrafiltration
<b>Gas storage</b>	Depreciated replacement cost	Cost per unit Useful life of gas storage
<b>Gas reticulation</b>	Depreciated replacement cost	Cost per unit Useful life of gas reticulation
<b>Customer Supply</b>	Depreciated replacement cost	Cost per unit Useful life of customer supply
<b>Plant, Equipment and Vehicles</b>	Depreciated replacement cost	Cost per unit Useful life of plant, equipment and vehicles

Investment properties

	2021	2020
	\$	\$
Balance at beginning of financial year	70,000	70,000
Net gain/(loss) from fair value adjustments	-	-
	<b>70,000</b>	<b>70,000</b>

Fair value measurement hierarchy for assets as at 31 December 2021	Carrying amount as at 31 Dec 2021	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
	\$	\$	\$
Investment Property <sup>(i)</sup>	70,000	-	70,000

(i) Classified in accordance with the fair value hierarchy, recognised value as at 31 December 2021 due to revaluation of buildings.



## SECTION 8: OTHER DISCLOSURES

### INTRODUCTION

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

### STRUCTURE

- 8.1 Other economic flows included in net result
- 8.2 Reserves
- 8.3 Responsible persons
- 8.4 Remuneration of executives
- 8.5 Related Parties
- 8.6 Remuneration of auditors
- 8.7 Australian Accounting Standards issued that are not yet effective

### NOTE 8.1

#### OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

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

	2021	2020
<b>Net gain / (loss) on non-financial assets</b>	\$	\$
Net gain / (loss) on disposal of property plant and equipment	-	(45,247)
<b>Total net gain / (loss) on non-financial assets</b>	-	<b>(45,247)</b>
<b>Other gains / (losses) from other economic flows</b>		
Net gain / (loss) arising from revaluation of long service liability <sup>(a)</sup>	(52,964)	54,491
<b>Total other gains / (losses) from other economic flows</b>	<b>(52,964)</b>	<b>9,244</b>

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

### NOTE 8.2

#### RESERVES

	2021	2020
<b>Note 8.2.1 Contributed Capital</b>	\$	\$
Balance at beginning of financial year	40,027,728	40,258,840
Prior year adjustment for contributed capital <sup>(a)</sup>	-	(231,112)
<b>Balance at end of financial year</b>	<b>40,027,728</b>	<b>40,027,728</b>

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

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital.

In relation to the prior year adjustment above and in accordance with instructions received from the DELWP, this transfer should have been accounted for as income within the year ended 31 December 2018 as opposed to a Capital Contribution. As a result, this amount has been transferred from Contributed Capital back into Accumulated Funds in the prior year.

**Note 8.2.2 Reserves**

	2021	2020
<b>Physical Asset Revaluation Surplus</b>	\$	\$
Balance at beginning of financial year	30,680,016	30,680,016
Revaluation increments / (decrements) <sup>(a)</sup>	17,878,238	-
<b>Balance at end of financial year</b>	<b>48,558,255</b>	<b>30,680,016</b>
<b>Net Changes in reserve</b>	<b>17,878,238</b>	<b>-</b>

(a) The physical assets revaluation surplus arises on the revaluation of land, infrastructure and buildings.

**NOTE 8.3  
RESPONSIBLE PERSONS**

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the 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 Environment, Land, Water and Planning.

**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 December 2021*

**Board (Key Management Personnel)**

Michelle Croughan, *Board Member from 1 January 2021 to 31 December 2021.*

Susan Lebish, *Board Member from 1 January 2021 to 29 June 2021. Resigned from the Board*

Helen Moran, *Board Member from 1 January 2021 to 31 December 2021.*

Maxine Morand, *Chairperson of the Board from 1 January 2021 to 29 June 2021. Resigned from the Board*

Anthea Packer, *Board Member from 1 January 2021 to 31 December 2021.*

*Deputy Chairperson from 30 June 2021 to 31 December 2021.*

Andrew Skewes, *Deputy Chairperson of the Board from 1 January 2021 to 29 June 2021.*

*Chairperson from 30 June 2021 to 31 December 2021.*

Peter Valerio, *Board Member from 1 January 2021 to 31 December 2021.*

**Accountable Officer**

Amber Gardner

*Chief Executive Officer and Accountable Officer from 1 January 2021 to 31 December 2021.*

**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 2021 was \$352,384 (2020: \$359,715).

<b>REMUNERATION BANDS</b>	2021	2020
	\$	\$
\$0 - \$9,999	2	2
\$10,000 - \$19,999	5	5
\$20,000 - \$29,999		1
\$250,000 - \$259,999		1
\$260,000 - \$269,000	1	
<b>Total Responsible persons <sup>(a)</sup></b>	<b>8</b>	<b>9</b>
<b>Total Remuneration</b>	<b>\$352,384</b>	<b>\$359,715</b>

(a) 2020 includes an outgoing Chief Executive Officer.

#### **NOTE 8.4 REMUNERATION OF EXECUTIVES**

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. 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 personal 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 RMB, in connection with, the retirement of Responsible Persons of the Board during the financial year.

<b>Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.3)</b>	2021	2020
	\$	\$
Short-term employee benefits	1,005,509	1,151,142
Post-employment benefits	84,347	85,739
Other long-term benefits	7,544	25,500
Termination benefits	10,240	66,561
<b>Total remuneration <sup>(a)</sup></b>	<b>1,107,640</b>	<b>1,328,942</b>
<b>Total number of executives</b>	<b>6</b>	<b>8</b>
<b>Total annualised employee equivalents <sup>(b)</sup></b>	<b>6</b>	<b>6</b>

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.3).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

**NOTE 8.5  
RELATED PARTIES**

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

Related parties of the Board include:

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

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

Key management personnel (KMP) of Mt Hotham Alpine Resort Management Board include the Honourable 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 Environment Land Water and Planning.

<b>Transactions with Key Management Personnel and other related parties</b>	2021	2020
	\$	\$
Short-term employee benefits	323,331	326,820
Post-employment benefits	28,823	27,501
Other long-term benefits	230	5,394
<b>Total remuneration <sup>(a)</sup></b>	<b>352,384</b>	<b>359,715</b>

*(a) Some KMPs are also reported in the disclosure of remuneration of Executive officers (note 8.4)*

**Transactions with KMP and Other related Parties**

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

**Loans:** At 31 December 2021 there were no loans in existence that have been made, guaranteed or secured by the RMB to a Responsible Person of the RMB or a related party of a Responsible Person (2020 – nil).

**Commercial and property interests**

Andrew Skewes is a Member and debenture holder of Anton Huette Mt Hotham. In the comparative period Jonathan Hutchins (outgoing Chief Executive Officer in 2020) had an owner's interest in property at Moritz, Mount Hotham (Units 16 and 17).

**Related party transactions**

All transactions are conducted on an arm's length commercial basis between the RMB and the organisations listed below. The following page outlines the additional transactions that have been entered into with related party entities.



**2021 Financial Year**

<b>Significant transactions with government related entities:</b>	<i>Revenue</i> \$	<i>Expenditure</i> \$	<i>Assets applicable to related parties</i> \$	<i>Liabilities applicable to related parties</i> \$
Alpine Resorts Co-ordinating Council	-	143,667	-	83,217
Country Fire Authority	1,888	10,000	521	-
Department of Environment, Land, Water and Planning	3,752,998	38,278	-	-
Department of Health and Human Services	-	1,966	-	-
Department of Jobs Precincts and Regions	3,536,431	-	-	3,084,769
Falls Creek Alpine Resort Management Board	2,383	13,250	-	-
Mt Buller & Mt Stirling Alpine Resort Management Board	74,836	-	-	30,884
North East Management Catchment Authority	10,396	-	1,100	-
Tourism North East	6,524	142,245	-	-
Treasury Corporation Victoria	-	62,405	-	870,806
Valuer General Victoria	-	89,307	-	89,307
Vic Roads	-	26,485	-	-
<b>Other transactions with related parties:</b>				
Anton Huette (Hotham Heights) Inc.	49,678	-	9,425	-
<b>Total</b>	<b>7,435,133</b>	<b>527,602</b>	<b>11,047</b>	<b>4,158,983</b>

**2020 Financial Year**

<b>Significant transactions with government related entities:</b>	<i>Revenue</i> \$	<i>Expenditure</i> \$	<i>Assets applicable to related parties</i> \$	<i>Liabilities applicable to related parties</i> \$
Alpine Resorts Co-ordinating Council	-	290,556	-	-
Country Fire Authority	27,208	9,091	8,439	-
Department of Environment, Land, Water and Planning	660,139	16,265	-	450,382
Department of Health and Human Services	-	1,787	-	-
Department of Jobs Precincts and Regions	-	-	1,050,000	2,580,000
Falls Creek Alpine Resort Management Board	6,650	58,000	-	-
Mt Buller & Mt Stirling Alpine Resort Management Board	51,790	10,196	-	30,855
North East Management Catchment Authority	186,865	-	-	-
Tourism North East	-	146,650	-	-
Treasury Corporation Victoria	11,370	70,538	-	997,211
Vic Roads	-	29,940	-	-
<b>Other transactions with related parties:</b>				
Anton Huette (Hotham Heights) Inc.	371	-	13,599	-
Moritz Mt Hotham Pty Ltd	105,445	30,987	-	-
<b>Total</b>	<b>1,049,838</b>	<b>664,010</b>	<b>1,072,038</b>	<b>4,058,448</b>

**NOTE 8.6**

**REMUNERATION OF AUDITORS**

	2021	2020
	\$	\$
VAGO Audit of the financial statements	31,000	30,400
Internal Auditors	20,613	25,053
<b>Total remuneration of auditors</b>	<b>51,613</b>	<b>55,453</b>

**NOTE 8.7**

**AUSTRALIAN ACCOUNTING STANDARDS (AAS) ISSUED THAT ARE NOT YET EFFECTIVE**

The following Australian Accounting Standards 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 2021, which may result in potential impacts on public sector reporting for future reporting periods.

**Issued but not yet effective Australian accounting and reporting pronouncements**

Particular new AAS have been published that are not mandatory for the 31 December 2021 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises the RMB of their applicability and early adoption where applicable. The table below lists AAS applicable to the RMB that become effective for reporting periods commencing after the operative dates stated.

<i>Standard/Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on public sector entity financial statements</i>
<b>AASB 2020-1</b> Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.  AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.	1 January 2023	The standard is not expected to have a significant impact on the public sector. The RMB is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2021 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- + AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.
- + AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.

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<i>Local Jobs First Act 2003</i>		
<i>Financial Management Act 1994</i>		



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