

Mount Hotham Alpine Resort Management Board

2015/16 ANNUAL REPORT



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Mount Hotham Alpine Resort To share an amazing alpine experience



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Mount Hotham Alpine Resort Management Board Annual Report 2015/16

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 2016.

Nicole Feeney
Chairperson
Mount Hotham Alpine Resort
Management Board

Jon Hutchins
Chief Executive Officer
Mount Hotham Alpine Resort
Management Board

“Guests enjoyed a total of 96 days of skiing”



Welcome to the Mount Hotham Alpine Resort Management Board (MHARMB) Annual Report for 2015-16. Changes have been made for the 2015-16 reporting period and has extended to a 14 month period, which reports from 1 November 2015 to 31 December 2016.

This year the Board has focused upon working closely with the Mount Hotham community in the implementation of our strategies to grow the Resort's visitation in both the winter and green seasons.

We welcome four new board members who were appointed on 1 January 2016. Maxine Morand was appointed as Deputy Chair and Julia Hunter, Jo Shannon and Andrew Skewes were appointed as Board members. David Anstee and Stephen Clement were reappointed as board members and I was appointed as Chair.

I would like to thank our former board members Deb Spring, Ron Mason, Peter Hagenauer, and Tim Piper. Each of these former board members have undertaken significant roles and contributed an enormous amount of their time, skills and experience to growing our Resort and continue to be passionate advocates for Mount Hotham. Deb joined the Board in October 2011 and became our Chair during 2013. In 2010, Ron joined the Board and in 2013 he became the Deputy Chair and chaired our audit committee. Many of you will know Peter, who joined the Board in 2013, from his role as chair of our consultative forum. Tim has been our longest standing board member, having joined the Board in 2001, and his new appointment as a member of the Alpine Resorts Co-ordinating Council means the Victorian Alpine industry continues to have the benefit of his experience and skills.

I would also like to thank the Mount Hotham Resort Management staff, who have worked very hard this year to implement and achieve the targets set out for Mount Hotham Alpine Resort.

Master Plan

We have now received, in principle, support from our Minister for the Master Plan and we thank everyone for their input and enthusiasm into the creation of the Master Plan. We are now focused upon implementing the plan in accordance with the Mount Hotham Development Growth Plan. The initial focus under that plan is the redevelopment of Hotham Central area and the Loch Car park, and the Board is excited to see what outcomes we can achieve to redevelop those areas.

Consultative Forum

The Consultative Forum, which consists of representatives of our Mount Hotham community, achieved positive outcomes and exchange of information and views during the year, under the leadership of board member Stephen Clement.

The Forum facilitated community engagement in the initial stages of a marketing and branding initiative for the Resort in collaboration with 10 Feet Tall Creative Agency amongst other initiatives.

However, Stephen has recently announced his resignation, in order to take up an opportunity to work on a project in Dubai, and will be finishing up with the Board during January. Stephen joined the Board in 2014 and I would like to thank him for his contributions since that time, particularly in relation to his leadership of the Consultative Forum.

Winter 2016

To mark the opening of the 2016 winter season, we had the privilege to have in attendance the Parliamentary Secretary for Tourism, Major Events and Regional Victoria Danielle Green and Gratton Mullet from the Gunaikurnai Tribe. Disabled Wintersport Australia showcased our new Hotham 365 indoor ski and snowboard experience.

The 2016 winter season saw challenges with its unpredictable weather and, unfortunately, there was insufficient snow on the ground for lifts to be operational on opening weekend. However, with all the ground staff working hard and some promising days of snowfall, the first lifts were opened by 22 June.

A total of 351cm of snowfall fell during the season which was 52cm above the 10-year average.

The snow base was not quite as good, due to the Resort also receiving above average rainfall.

Overall, the season saw many good days and great conditions of powder snow. Guests enjoyed a total of 96 days of skiing, with the season closing as scheduled on 25 September 2016.

Our visitation increased above 2015 numbers but was slightly down on our 10-year average.

Snow Making

During summer 2015-16, the Mount Hotham Skiing Company (MHSC) undertook a major project, with the installation of 18 new fully-automated Techno Alpin snow guns, as part of a \$4.4 million expansion of the snowmaking infrastructure in our ski fields. The works were undertaken in Heavenly Valley and further works are being undertaken this summer at The Summit.

Alpine Industry governance

During 2016, there was a change in our responsible minister. The Honourable Lisa Neville MP became the Minister for Police and Water and the Honourable Lily D'Ambrosio MP became the Minister for Energy, Environment and Climate Change.

The government's priorities for alpine resorts are focussed upon climate change adaptation, the governance arrangements of Lake Mountain Alpine Resort and Mount Baw Baw Alpine Resort, and the governance of all the Victorian alpine resorts.

A review has been completed this year in relation to the Lake Mountain Alpine Resort and Mount Baw Baw Alpine Resort and this has resulted in the creation of a new Southern Alpine Management Resort Board which, from 1 January 2017, provides the strategic management and direction for both of those resorts.

Climate change adaptation and the governance of all Victorian alpine resorts will continue to be priorities for the government in 2017.

Our Community

The Board would like to recognise the contribution and passion of all of our Mount Hotham community and our neighbours including the Mount Hotham Skiing Company, the Hotham Ski Association, business owners, property owners, the Alpine Shire, Dinner Plain, our traditional owners and our guests. We thank you for making our Resort a unique and amazing place for which we all want experience again and again.

Nicole Feeny

Chairperson

Mount Hotham Alpine Resort
Management Board

“The contributions of our Consultative Forum have been crucial in finalising the Mount Hotham Alpine Resort Master Plan 2016”



It has been a privilege to work with the Mount Hotham community in 2016 and to develop and implement tools and projects that will secure Mount Hotham's position as one of Australia's premier Alpine Resorts, sharing an amazing alpine experience year-round.

My recognition goes out to all the staff and stakeholders who worked hard and efficiently in poor visibility and difficult weather conditions throughout the year, and on consecutive days were temperatures reached as low as – 8 degrees.

I thank all our stakeholders, Hotham Ski Association (HSA), Tourism North East (TNE), Mount Hotham Skiing Company (MHSC), Alpine Shire, commercial operators, emergency services, contractors and guests who help Mount Hotham be the best it can be.

We welcome the new board members who were appointed at the commencement of 2016 and who since have contributed greatly to the outcomes and efforts achieved by the Mount Hotham Alpine Resort Management Board.

The contributions of our Consultative Forum have been crucial in finalising the Mount Hotham Alpine Resort Master Plan 2016, which received endorsement by the Minister for Energy, Environment and Climate Change the Honourable Lily D'Ambrosio MP in late December. This is a critical step toward rejuvenating Hotham Central and the existing Corral Car Park area, which has great potential to become a lively, safe and hospitable hub for activity throughout the snow season and in to summer.

The sign-off of the Master Plan, along with the finalisation of the Mount Hotham Development Growth Plan have been critical in guiding the last 14 months of activity.

Growing Mount Hotham Project (GMHP)

The Mount Hotham Alpine Resort Master Plan identified significant opportunities for improvement of the public realm, safety and services provided in the Corral Car Park area. This led to the creation of the GMHP, which aims to create a sense of destination and arrival and increase focus on year-round visitation to the Resort.

The package of works includes the realignment of major services, realignment of the Great Alpine Road, and the establishment of private development sites at the Corral site. Importantly, the \$7.8m of public works will bring up to \$90m of private investment to the Resort. In 2016, two grant applications were submitted to support these essential works, along with all necessary planning permit applications. Planning for the deep service maintenance works and the relocation of the existing Summit Telstra exchange are well underway.

As a part of the Growing Mount Hotham Project, an Expressions of Interest (EOI) process was undertaken for the existing Resort Management Building site. A preferred developer has been selected by the Board, and negotiations in 2017 are expected to finalise the form and footprint of the new development, which will include contemporary ski-patrol and medical centre facilities, along with ground-floor commercial tenancies.

Loch Car Park Upgrade

We are conscious of the very limited supply of convenient parking at the Resort. In recognition of the loss of parking at the Corral that may arise out of the GMHP, MHARMB have applied for funding to construct a two-deck car park at the Loch, which will establish one level of covered parking and a second deck of roof-top parking. This substantially improves the safety of the current icy, wind-swept car park and will additionally provide direct access to the snow.


Marketing Campaign– 10 Feet Tall

MHARMB has been working closely with 10 Feet Tall agency to create a new nationwide campaign which will launch in April 2017. The campaign aims to brand Mount Hotham with a new Australian alpine identity and will focus on the uniqueness of Mount Hotham's

'personality' and the values of its people, by bringing it to life and giving the mountain a voice. Key objectives completed for the campaign include:

- Market research
- Brand essence workshop
- Brand positioning workshop
- Campaign strategy planning
- Filming and photography of Winter and Green season footage
- Creation of 'on mountain' stakeholder engagement offering and presentation to showcase opportunity for involvement within the campaign.

I look forward to the exciting times ahead and continuing a strong relationship with our community, stakeholders and guests who assist in making Mount Hotham a great alpine resort throughout the year in both winter and the green season.



Jon Hutchins
Chief Executive Officer
Mount Hotham Alpine Resort
Management Board

Introduction Board Members

Nicole Feeney Chairperson



Board Members - from 1 November 2015 to 31 December 2015

Deborah Spring (Chairperson)	Ron Mason (Deputy Chair)
Nicole Feeney	Tim Piper
Peter Hagenauer	David Anstee
Stephen Clement	

Board Members from 1 January 2016 - 31 December 2016 - Nicole Feeney, Maxine Morand, David Anstee, Jo Shannon, Julia Hunter and Andrew Skewes.

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

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

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

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



Maxine Morand Deputy Chair

Maxine was appointed to the Board on 1 January 2016. She is currently a professorial fellow and teaches in the school of Public Health and Preventative Medicine at Monash University and she is board Chair of Peter MacCallum Cancer Centre and board member at Access Health and Community, board member of Inner East Community Health and is a graduate of the Australian Institute of Company Directors. Maxine is a former nurse, cancer researcher, member of the Victorian Parliament and Cabinet Minister, and was chief executive of Breast Cancer Network Australia. She brings extensive experience in government administration, senior management, stakeholder engagement and public health. She has been a keen skier and visitor to Mount Hotham with her family for over 30 years.



David Anstee Board Member

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

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



Stephen Clement Board Member

Stephen was appointed on 28 October 2014. He is currently the project general manager at the Queensland Investment Corporation for a \$675 million upgrade of the Eastland Shopping Centre and Ringwood Town Square.

Prior to that, he was project director for ING Real Estate for the mixed-use development at Docklands and was President of the Docklands Chamber of Commerce. Stephen also has a Graduate Diploma in Project Management, Bachelor of Structural Engineering, and is a member of the Institute of Engineers Australia.

Stephen has worked in the property industry for 30 years and brings strong development and planning skills to the Board. He is also a passionate skier.

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



Julia Hunter
Board Member

Julia has broad experience across Sustainability, Environmental Management, Marketing, Stakeholder Engagement and Risk Management. She has recently taken on the role of Head of Sustainability & Community for Aussie Farmers Direct, where she leads sustainability strategy and customer loyalty programs. Prior to that, Julia held roles as the Global Head of Environmental Sustainability at ANZ Banking Group and the Director of Corporate Responsibility for InterContinental Hotels Group where she played a key role in the implementation of global environmental and community programs including the award winning Green Engage and IHG Academy. She is an outdoor enthusiast and spends her weekends cycling, skiing, hiking and running and is looking forward to spending more time mastering the black runs at Hotham.

Julia is the Executive Officer of the Aussie Farmers Foundation, a Board Member of Bright Sparks Australia (an environmentally focused social enterprise) and secretary of the Melbourne chapter of the Corporate Environmental Managers Group. Julia has Bachelor's degrees in Marketing and Management. Julia was appointed to the Board on 1 January 2016.



Andrew Skewes
Board Member

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

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



Jo Shannon
Board Member

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

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

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

Introduction

Board Committees

Audit and Risk Sub Committee

The Audit and Risk Sub Committee has responsibility of internal and external audit, finances, risk management and monitoring the compliance with the Financial Management Compliance Framework. The board members represented on this committee between 1 November to 31 December 2015 are: Ron Mason (Chairperson) and Peter Hagenauer. The Board members represented on this committee from 1 January to 31 December 2016 are: Jo Shannon (Chairperson), Andrew Skewes and Julia Hunter. All Audit and Risk Sub Committee members are deemed independent under the *Financial Management Act 1994*.

Remuneration & People Sub Committee

The Remuneration & People Sub Committee Board representatives were Tim Piper (Chairperson), Nicole Feeney, and Deb Spring from 1 November to 31 December 2015, and then Maxine Morand (Chairperson), Nicole Feeney, and David Anstee from 1 January to 31 December 2016.

The Board

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

Marketing and Development Sub Committee

The Marketing and Development Sub Committee was established in September 2014. The Board representatives were Peter Hagenauer (Chairperson), Nicole Feeney, and David Anstee from 1 November to 31 December 2015, and then David Anstee (Chairperson), Stephen Clement, and Julia Hunter from 1 January to 31 December 2016.

Consultative Forum

Mount Hotham Consultative Forum was established in July 2014. The Chair of the Forum was Peter Hagenauer from 1 November to 31 December 2015. Continuing the Chair of the Forum was Stephen Clement from 1 January to 31 December 2016, with representatives from Tourism North East (TNE), Mt Hotham Chamber of Commerce, Hotham Ski Association (HSA), Mount Hotham Skiing Company (MHSC), Alpine Shire and Arlberg Hotham.

Establishment of Boards

The Mount Hotham Alpine Resort Management Board was established by Section 34 of the *Alpine Resorts (Management) Act 1997*. The inaugural Board officially took over control of the Resort on 30 April 1998. Prior to this, all alpine resorts were managed collectively under the jurisdiction of the Alpine Resorts Commission. The current management structure comprises an independent seven-member skill-based Board who were appointed by the Minister for Environment, Climate Change, and Water. The responsible ministers during the 2015-16 reporting period were:

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

Functions of the Board & Corporate Governance

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

- for the development, promotion, management and use of the resorts on a sustainable basis and in a manner that is compatible with the alpine environment, having regard to environmental and ecological considerations (in particular, climate change) economic considerations, and cultural heritage considerations (in particular, Indigenous cultural heritage considerations); and
- for the use of the resorts primarily for alpine recreation and tourism, in all seasons of the year and by persons from varied cultural and economic groups.
- Section 38 of the *Alpine Resorts (Management) Act 1997* specifies the functions of the Board:

The current Management structure comprises an independent seven member skill-based Board.

- To plan for the development, promotion, management and use of each such alpine resort in accordance with the object of the Act;
- To develop and promote or facilitate the development or promotion by others of the use of each such alpine resort in accordance with the object of the Act;
- To manage each such alpine resort in accordance with the object of the Act;
- To contribute to the development of the Alpine

Resorts Strategic Plan and other strategic planning for alpine resorts as a whole;

- To undertake research into alpine resort issues;
- To contribute to and support the operation of the Council;
- To prepare and implement a Strategic Management Plan for the Resort;
- To expend or apply revenue of the Board in accordance with a direction of the

minister under section 36(1A);

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

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

	Full Board	Audit and Risk	Remuneration	Marketing	Consultative Forum
Total Meetings Held	12	6	3	4	6
Nicole Feeney	12/12		3/3		
Maxine Morand	9/10		3/3		3*
David Anstee	11/12		3/3	4/4	
Stephen Clement	11/12			4/4	5/6
Julia Hunter	9/10	4/4			
Andrew Skewes	10/10	4/4			
Jo Shannon	9/10	4/4			1*
Board members up until 31st Dec 2015					
Deborah Spring	2/2				
Ron Mason	2/2	2/2			
Tim Piper	2/2				
Peter Hagenauer	1/2	1/2			1/1

*Attended as an observer

About the Resort

Our History

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

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

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

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

In 1851, the most influential event in the history of the region — and the nation — occurred with the official discovery of gold. In that first year, gold was discovered at Omeo, where a few small diggings were opened. The gold discoveries on each side of the Divide saw a significant movement of

traffic over the ranges between the new fields. Diggers travelling over the ranges within the Mount Hotham district were said to have discovered small quantities of gold, however these deposits were left in preference for the richer pickings and better climate offered by the lower valleys.

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

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

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

Other development in subsequent years saw increased parking areas, the construction of the Hull Skiers Bridge, and the sealing of

the Great Alpine Road between Omeo and Harrierville in 1998.

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

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

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

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

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

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

The MHARMB Master Plan for the Resort has been completed, as has the Development Growth Plan which provides the direction for implementation.



1851
Discovery
of gold in
Omeo

1880s
Significant
gold
discoveries
made on the
Upper
Dargo

1983
Formation
of the
Alpine
Resorts
Commission

1962

The Department of Crown Lands and Survey assumed responsibility for Mount Hotham.



About the Resort

Our Vision ‘To share an amazing alpine experience’

Our Values

.....

We will:

- **Lead by example in a respectful and approachable way;**
- **Take ownership in what we do; and**
- **Be outward looking and innovative in our approach.**

Our Mission

To deliver Australia’s premier alpine resort through the optimal management of this unique Crown Asset.

Focusing on customer service and effective communication, MHARMB will achieve this mission through quality services to:

The Crown

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

Our Environment

By managing the rare and valuable biodiversity of the Resort;

Our Customers

By delivering quality transport, ski patrol, resort entry sales, guest information, traffic and parking control, snow clearing, cross country trails and urban amenities;

Our Property

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

Our Stakeholders, Investors and Developers

Delivering consistency, certainty and confidence in Mount Hotham by undertaking quality resort planning and development, reliable utility services, effective business and product development, clear and unambiguous land and lease management, and efficient revenue collection;

Our Corporate Performance

By measuring our performance against a set of indicators as reported in this Annual Report.

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



Our Strategy

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

Our Customer and Community Focus

To be the best in every dimension of guest service through motivated, highly trained and competent staff.

Our Year Round Resort

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

Our Services

We will provide services at a low sustainable cost, whilst ensuring a positive guest experience. Our infrastructure will support the Resort's strategic direction of an incremental build-out of accommodation, to a sustainable 7,500 beds over the next ten years.

Our Developer Services

Our aim is to have the shortest planning and development cycle at lowest cost in the Alps.

Our Environment on the Ridge

We will set the standard and be recognised for our environmental excellence and unique location.

Our Strategic Partnerships

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

Our Corporate Governance

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



About the Resort

Nature and Scope of Activities

Mount Hotham Alpine Resort is one of Victoria's premier alpine recreation destinations. It holds the unique position of being the highest ski field alpine village in Australia, with a summit elevation of 1861 metres.

Mount Hotham is located toward the southern end of the Great Dividing Range, approximately 365 kilometres north east of Melbourne and 520 kilometres south west of Canberra. The resort currently has 5,251 beds and 85 Lessees as of 20 December 2016.

Access from Melbourne to Mount Hotham is generally by the Great Alpine Road, either from the west via Wangaratta and Harrietville, or from the east via Bairnsdale and Omeo. Mount Hotham commercial airport at Horsehair Plain, approximately 20 kilometres south east of Mount Hotham, provides an alternative road to travel. In previous years, the airport greatly increased the accessibility of the Resort to Victorian, interstate and overseas guests, and has the capacity to provide commuter jet links with major Australian capital cities during the ski season.

Mount Hotham is located at the headwaters of four major rivers. Terrain in the Resort area ranges in elevation from 1060 to 1861 metres. The Resort covers an area of approximately 3450 hectares, the majority of which is Crown Land and is bounded on all sides by the Alpine National Park.

Mount Hotham Alpine Resort Management Board facilitates the following activities at Mount Hotham:

MHARMB facilitates the following activities at Mount Hotham:

Utilities

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

LAND MANAGEMENT AND ENVIRONMENTAL SERVICES

Property development, environmental, stewardship, property and leasing, licenses, planning, building, health, capital works and operations.

CORPORATE SERVICES

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

RISK MANAGEMENT

Risk register, asset maintenance and risk management.

BUSINESS UNDERTAKINGS

Gas supply and Victorian Alpine Nursery.

BUSINESS AND PRODUCT DEVELOPMENT

Product development, business development (Resort Master Plan, Development Growth Plan, Tourism and Marketing Strategy), website development (www.developmthotham.com.au, www.explore.mthotham.com.au and www.mthotham.com.au), weather and snow reporting, and walking trail products.

PUBLIC ACCESS, SAFETY AND EDUCATION

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

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

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

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

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

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

About the Resort Financial Summary

The 2016 period reflects a 14-month reporting period from 1 November 2015 through to 31 December 2016 compared to a 12 month period on prior years.

This Ministerial directive was legislated to align reporting periods between the Alpine Resorts, DELWP and other agencies within the portfolio.

The 2016 period resulted in a surplus of \$142,113 for the period (2015 \$496,546). The

Board continued the focus on creating an amazing alpine experience through marketing initiatives and service deliverables during the year. The 2016 results include additional revenues for Site Rent and Service Charges and associated expenditure mainly attributable

	2011/12 12 Months	2012/13 12 Months	2013/14 12 Months	2014/15 12 Months	2015/16 14 Months
Operations					
Property revenue/FECA*	\$64.14	\$63.81	\$66.62	\$68.08	\$79.56
Infrastructure and admin costs/FECA*	\$80.50	\$79.10	\$78.33	\$77.05	\$89.37
Village, visitor and marketing costs/visitor day	\$7.19	\$10.07	\$9.03	\$11.15	\$11.42
Resort investment					
Total village size (FECA)	84,068	84,228	84,270	84,941	85,013
Total CAPEX ('000) includes Geotech and WIP	\$0.62m	\$1.02m	\$3.34m	\$5.19m	\$3.94m
Financial					
Outstanding debtors as % of revenue	9.35%	7.51%	8.29%	6.47%	9.09%
Closing cash ('000) (including term deposits)	\$3,021	\$3,665	\$9,657	\$6,338	\$3,928
Operating cash flow/total assets	2.21%	2.17%	2.70%	2.12%	1.99%
Current assets/current liabilities	2.49	3.16	5.47	3.40	2.87
Financial summary (\$,000)					
Total assets	79,891	80,179	88,443	88,666	82,824
Total liabilities	3,576	3,311	3,562	3,288	3,347
Net assets	76,315	76,868	84,881	85,378	79,477
Assets are comprised by date					
Land	41,815	41,815	51,815	41,815	30,821
Financial	4,009	4,424	10,559	7,036	4,997
Other non-financials	34,067	33,940	36,069	39,815	47,005
Total assets	79,891	80,179	88,443	88,666	82,823
Five year revenue and expenditure overview (\$,000) - Revenue					
Site rental	1,733	1,512	1,421	1,440	1,583
Annual service charges	3,659	3,863	4,193	4,343	5,181
Capital ingoings	143	24	177	134	41
Visitors	2,785	2,334	2,665	2,731	2,816
Grants	134	65	60	74	152
Other sources	2,112	2,293	2,362	2,065	1,990
Total revenue	10,556	10,091	10,878	10,787	11,763
Expenditure (\$,000)					
Operating expenses	8,311	7,975	8,146	8,414	9,355
Depreciation	1,355	1,240	1,233	1,373	1,684
Finance expenses	120	115	110	105	116
Support payments	181	210	356	398	466
Total expenditure	9,967	9,540	9,845	10,290	11,621
Net operating result	599	551	1,033	497	142

to depreciation, wages, insurances and maintenance for the additional two months of November 2015 and December 2015.

Service deliverables and wages resulted in a decrease for the 2016 winter season due to a tighter fiscal management during times of reduced services in times of low visitation which attributed to the reported surplus against a break-even budget.

The KPI's for Property Revenue/FECA and Infrastructure and Admin costs/FECA have increased due to the 14-month reporting period.

Cash reserves have decreased due to the completion of the Swindlers Valley project which totalled \$7.6M of which \$6.9M was contributed in grant funding during 2014 and has been drawn down as the project was constructed and finalised.

Net Assets decreased during 2016 due to revaluation of Land, Buildings and Infrastructure. The major class affected related to a decrease of \$10 million on the fair value of Land on the leased sites at the resort. This is based on individual site lease information calculating the present value of the income stream (site rental), combined with the reversion of the site, based on the remaining term of the lease.

There were 14 consultants engaged in projects with MHRMB for 2015/16. A total of 2 consultancies valued less than \$10,000 was \$11,036. The following table lists the 14 consultants where total remuneration was \$10,000 or above.

Consultancies	Project	No.	\$
10 Feet Tall Pty Ltd	Marketing Branding and positioning research and development		\$120,120.00
Alpine Building Permits & Consultants	Building Permits/survey and consulting		\$31,130.00
Biosis Research	Environmental survey across resort		\$55,878.15
Getting To Next	Hotham Regional Development Growth Plan		\$11,000.00
GTA Consultants	Hotham Urban Renewal Project Design		\$26,180.00
Hansen	Master Plan Consultant		\$48,219.00
Hays Specialist Recruitment (Australia) Pty Ltd	Temporary Employment of Executive Assistant & Communications		\$73,874.97
On Tap Consulting Pty Ltd	Leasing and property consulting, EBA negotiations, EOI and Grow Mt Hotham Project		\$127,179.25
Surface Consulting	Swindlers Valley Project consulting and Development funding applications		\$99,947.66
Yabbie Pond Pty Ltd	Potable Water compliance		\$35,959.00
Solutions H2O	Sewerage consultant		\$43,236.33
Ecowise (ALS Laboratory Group)	Potable water and sewerage testing and monitoring compliance		\$35,619.65
GoCreative	Website Hosting		\$42,126.00
John H Castran Pty Ltd	Marketing and advertising on EOI for RMB Administration building site		\$62,211.47
Subtotal (greater than \$10,000)		14	\$812,682.00
Subtotal (less than \$10,000)		3	\$16,812.17
Total Consultants		17	\$829,494.17

Major Contracts

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

Disclosure of government advertising expenditure

The Board did not have any advertising campaigns with a media spend of \$150,000 or greater.

About the Resort

Key Performance Indicators

MHARMB's overall performance has continued to be strong.

Customer service	2011/12	2012/13	2013/14	2014/15	2015/16
	12 Months	12 Months	12 Months	12 Months	14 Months
Total visitor days (Winter)	411,495	264,527	332,281	313,341	328,602
Market share (Victorian majors visitor days)	32.39%	25.07%	28.52%	26.95%	26.85%
Accident rate/'000 visitor days (Hotham Historical average)	1.06	0.95	1.51	1.77	1.54
Operations					
Property revenue/FECA*	\$64.14	\$63.81	\$66.62	\$68.08	\$79.56
Infrastructure and admin costs/FECA*	\$80.50	\$79.10	\$78.33	\$77.05	\$89.37
Village, visitor and marketing costs/visitor day	\$7.19	\$10.07	\$9.03	\$11.15	\$11.42
Environmental management					
Potable water quality (compliance with Australian Drinking Water Guidelines as reported to DHHS)	96%	100%	100%	100%	100%
Wastewater quality (compliance with Licence Limits as reported to EPA)	75%	100%	62.5%	89%	100%
Solid waste – kilograms (winter period) per visitor day	0.62	0.68	0.54	0.5	0.50
Resort investment					
Total village size (FECA)*	84,068	84,228	84,270	84,941	85,013
Total CAPEX ('000) (includes Geotech and WIP)	\$0.62m	\$1.02m	\$3.34m	\$5.19m	\$6.572m
Financial					
Outstanding debtors as % of revenue	9.35%	7.51%	8.29%	6.47%	0.00%
Closing cash ('000) (including term deposits)	3,021	3,665	9,657	6,338	0,000
Operating cash flow/total assets	2.21%	2.17%	2.70%	2.12%	0.00%
Current assets/current liabilities	2.49	3.16	3.47	3.40	0.00

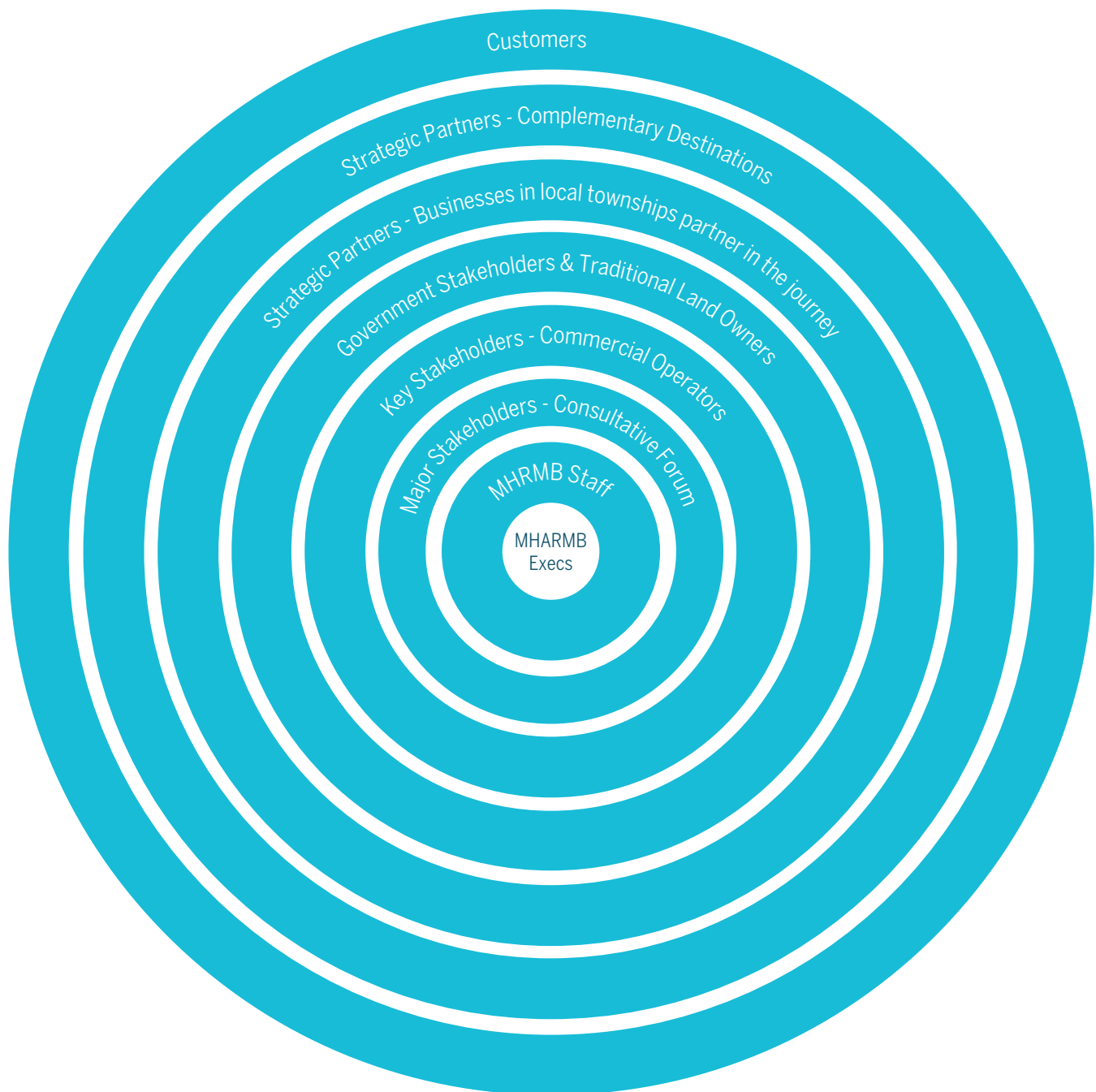
*FECA - fully enclosed covered area (m2)

Economic Key Performance Indicators

		2013/14	2014/15	2015/16
E.1	Net Cash Flow			
	Net operating cash flow plus net investing cash flow as reported in cash flow statement	(3,414,660)	(4,234,193)	(996,296)
E.2	Net accrual surplus			
	Net profit before allocation to reserves as reported in the Statement of Financial Performance	1,032,892	496,546	142,113
E.3	Business cycle sustainability			
	Ratio of total financial assets less net accounts payable less total accrued employee entitlements to snow drought reserve target.	3.789	4.336	3.96
E.4	Asset cycle sustainability			
	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.	0.34	0.28	0.52
E.5	All season resort			
	Ratio of non-winter visitors to winter visitors	0.79	0.90	1.23
E.6	Average visitor spend			
	Ratio of total revenues to total visitors (winter and non-winter)	49.84	48.20	43.76

About the Resort

Stakeholder Communication Framework



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

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

About the Resort

Social Key Performance Indicators

Theme, indicator and measurements.

Valuing Culture and Heritage

S1 Indigenous employment opportunities

VALUING CULTURE AND HERITAGE

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

2016 actions – Close continued working relationship with Gunaikurnai.

CULTURAL HERITAGE MANAGEMENT INITIATIVES

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

2016 actions - Interpretive Indigenous signage on the tracks and trails continued, the coordination and preparation for the AASHA annual meeting which is to be held at Mount Hotham in 2017.

COMMUNITY STRENGTH

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

2016 actions - Volunteer Ski Patrol, 4th annual Camp Quality fundraiser, Biggest Morning Tea in May, GAR Marathon, Adventure Kids Festival, Cool Summer Festival, Davenport Sled Race, Snowman Competition, entry prizes for local charity raffles, free guided bushwalks, and fundraisers including CFA, Hotham Boardriders, Beyond Blue, and Resort fundraisers.

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

2016 actions - Consultation for strategic planning, Resort Master Plan, continued ESTA Street Numbering Project, Lodge managers' annual workshop, head lessees briefing, consultative forum, annual stakeholder meeting at MCG plus follow up/debrief meeting, generation of the Community Engagement Plan in progress.

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

2016 actions - Medical centre (fully subsidised accommodation), subsidy to police station and emergency services. Subsidised after hours medical services and equipment purchases for medical centre.

WORKPLACE QUALITY

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

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

GUEST FULFILMENT

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

2016 actions - Locals' ski pass, guides for people with visual disability, free gate entry to local school students, tertiary student subsidy, skidoo and other transport for people with mobile disability, inter-village bus service, graphic signage system throughout village, Omeo to Bright Alpine Bus Link, disabled visitor guides, wheelchair transport vehicle, free roadside assistance, free cross country skiing, community toboggan slope, continued development of summer products, and an increase in Disabled Wintersport Australia engagement and multilingual village map guides.

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

2016 actions - Broad range of accommodation types (2 – 5 star), lodge style, motel and self-contained.

Environmental Key Performance Indicators

	2013/14	2014/15	2015/16
N.1 Compliance with water licence conditions			
a) <i>Safe Water Drinking Act</i> standards	100%	100%	100%
b) EPA licence conditions	100%	89%	100%
c) GMW licence conditions	100%	100%	100%
N.2 Potable Water consumption			
a) Winter total potable water usage	56ML	61ML	61ML
b) Annual total potable water usage	97ML (99)	102ML	111ML
c) Winter total potable water usage/visitor days	0.17 kl/vol	0.20 kl/vol	0.19 kl/vol
N.3 Renewable Energy consumption by Board			
Renewable energy as a proportion of total energy consumption (Joules) by Board related activities per annum Unit: % (Joules/Joules)	0%	0%	0%
N.4 Greenhouse Gas Emissions			
Greenhouse gas emissions from electricity, diesel and ULP consumption by MHARMB activities	1993 t	2262.0 t	2300 t
N.5 Solid Waste Disposed to Landfill			
Solid waste disposed to landfill based on truck tonnage figures			
a) Annual tonnage	223 t	180.9 t	214 t
b) Winter tonnage	190 t	155.7 t	163 t
c) Winter tonnage/visitor days	0.62 kg/vol	0.50 kg/vol	0.50 kg/vol
N.6 Activities implemented that protect threatened species population and communities			
Activities implemented within threatened species action management plans to protect threatened species populations and communities.	100%	100%	100%

*Estimate as all data not available at time of print.

Our Customer and Community Focus

Our Human Resources and Organisational Development

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

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

Equal Employment Opportunity

MHARMB is an equal opportunity employer and all appointments and promotions are merit-based and based on the principles of the *Public Administration Act 2004*.

MHARMB has fulfilled its obligations under section 7, public sector values, of the *Public Administration Act 2004*, upholding responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

Industrial Relations

There were no industrial disputes during the reporting period.

Negotiations for the new Mount Hotham Alpine Resort Management Board's Enterprise Agreement commenced this year and "In Principle" agreement was reached prior to the end date of the previous Enterprise Agreement.

The draft Enterprise Agreement was submitted to DELWP on the 1 September 2016 for Government approval. On receipt of this, it will then be presented to employees for the final vote, prior to forwarding to the Fair Work Commission for ratification.

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

Occupational Health and Safety (OH&S)

Occupational Health and Safety (OH&S) is a significant component of our Risk Management Policy and MHARMB is fully committed to establishing a healthy and safe

work environment for our permanent staff, seasonal staff, contractors and guests by:

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

There were no major OH&S issues in this reporting period. Total LTI in 2016 was 161 days:

- Permanent Employees 10 days
- Seasonal Employees 151 days

A total 133 days were lost due to post season joint surgery, required for two winter employees.

Occupational Health and Safety Committee

The OH&S Committee held nine meetings during the 2015/2016 reporting period and has been actively engaged in:

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

Resort Management Team

The day to day running of the organisation is undertaken by the CEO and a small year round work force, which is supplemented by seasonal staff and volunteer ski patrollers. All staff members are employed under the Mt Hotham Resort Management Enterprise Agreement 2013. The CEO is contracted under Government Sector Executive Remuneration Panel guidelines.

Gifts, Benefits and Hospitality Attestation

I, Nicole Feeney of Mount Hotham Alpine Resort Management Board (MHARMB) certify that MHARMB has policies and procedures in

place that are consistent with the minimum requirements and accountabilities outlined in the Gifts, Benefits and Hospitality Policy Framework issued by the Public Sector Standards Commissioner; staff are informed about these gifts, benefits and hospitality policies and procedures; and the Audit and Risk Committee reviews the operation of the policies and procedures at least once a year to ensure transparent reporting of accepted gifts, benefits and hospitality.



Nicole Feeney
Chairperson

Mount Hotham Alpine Resort
Management Board

Training and Development

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

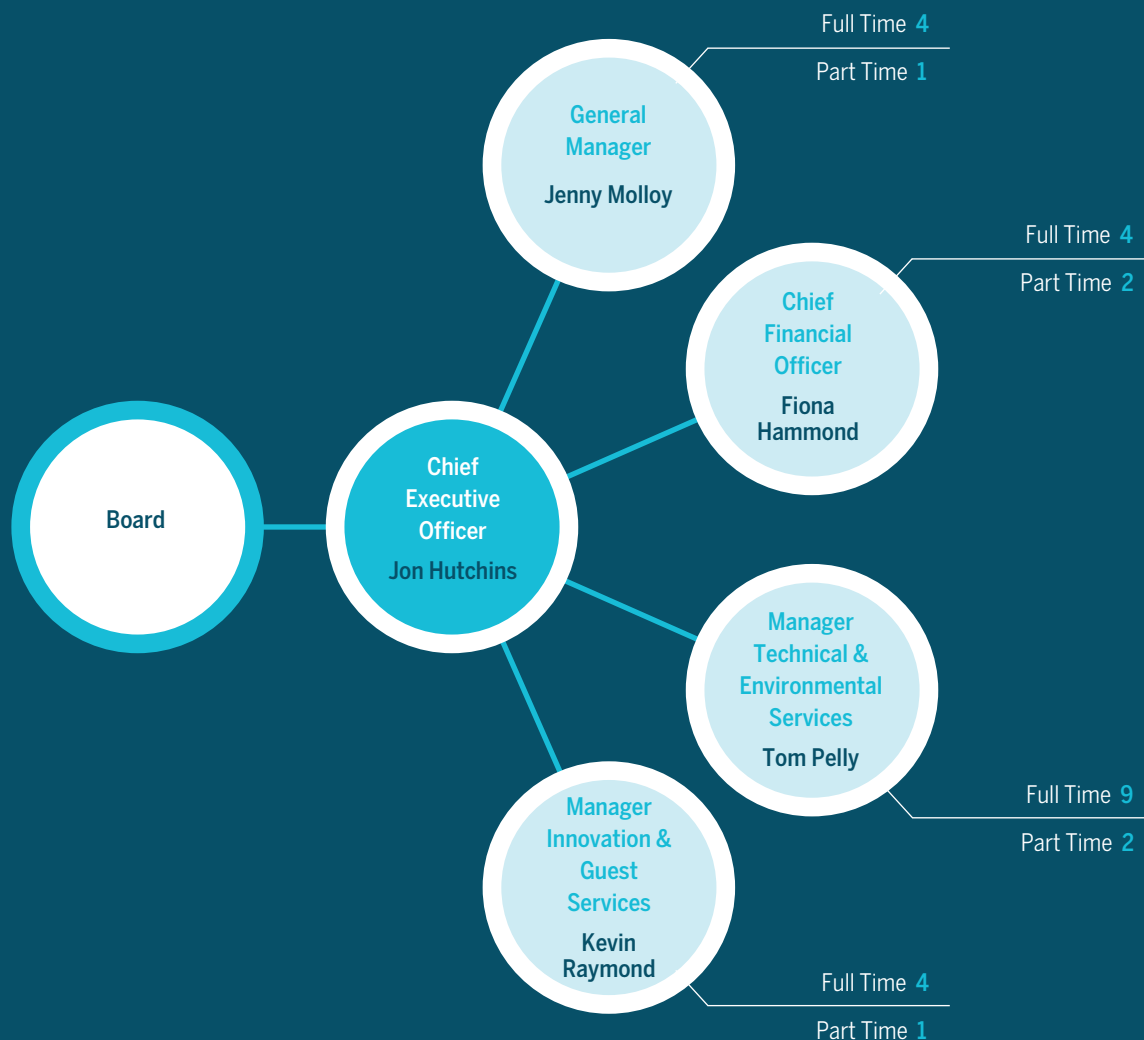
Training undertaken in 2015/16 was beneficial for staff through the following courses:

- First Aid Level II;
- Annual CPR updates;
- Hazardous area authority training for bus & heavy vehicle drivers;
- Safety management course for bus operators;
- Water treatment modules;
- Water treatment trainee;
- Traffic management;
- Operate a commercial or local bus service – transport safety Victoria;
- Microsoft Excel training;
- Contract Law seminars;
- Fire Up Coaching;
- Fire extinguisher training;
- Grant Seeker workshop;
- Annual Ski Patrol refresher units;
- Emotional Intelligence (EQ) training; and
- Fire Warden training.

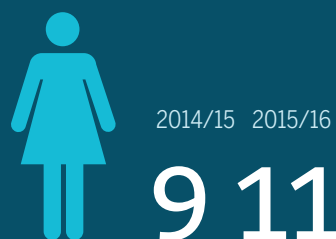
A number of these courses were either held onsite, locally or via online training. Other organisations, either on mountain businesses or other Victorian alpine resorts, were also involved.

Our Organisational Structure

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



Full Time Workforce Management Administration



Full Time Workforce Resort Operations



Our Customer and Community Focus

Ski Patrol and Skier Safety

The Mount Hotham Ski Patrol is made up of paid and volunteer members. For the 2016 winter season, there were: 21 paid patrollers (11 full-time, 10 part-time), 38 volunteer patrollers (33 qualified plus 5 trainees) and 4 tail crew (volunteers).

Snowfall and Lift Operations

Dynamic is probably the best word to describe the season. There were periods of fantastic snowfalls which allowed for great skiing conditions and a good base. However, there were also several significant rain and warming events which resulted in a snow base that fluctuated dramatically, on an almost weekly basis, and which saw many areas of the Resort open and close several times throughout the winter. Overall, the cover was good across much of the Resort, and the surface conditions were user friendly for most of the time.

The total accumulated snowfall was 351 cm (52 cm above the 10-year average), however this was eclipsed by the total rainfall, which was approximately 470 mm (which is more than double the usual amount).

Most of the precipitation (snow and rain) fell between late June and mid-August. These conditions delivered some very memorable powder days. From mid August until the end of the season saw few snowfalls, and offered mainly soft, wet, spring snow due to mostly mild conditions.

The season was notable for its less than ideal weather, which saw very few sunny days and many days of poor visibility, wind and damp conditions. There was no natural or machine-made snow, and hence, no lifts operated for the official opening weekend on 11 and 12 June. The Summit Trainer was the first lift opened on 22 June, followed by the Big D and Summit Quad on 25 June. The Village Chair, Playground Chair and

Heavenly Valley were all opened by 27 June (which coincided with the first week of school holidays), and remained open until the final day of the season on 25 September 2016.

Gotcha, Keoghs/Orchard and Blue Ribbon lifts first opened between 15 July and 18 July. However, each of these lifts closed and reopened three times, due to the fluctuating snowpack before their final operational days at the end of August. The inability to open these areas more often was mainly caused by the open creek lines, due to the rain events and the lack of snow-catching foliage on the trees in the Orchard area.

Considering the amount of rain and poor snowmaking weather, which prevailed throughout winter, the cover and snow conditions remained surprisingly good and many guests were surprised at the amount of terrain open.

Accidents

The Ski Patrol attended to approximately 776 callouts, with 378 requiring further treatment at the medical centre. The accident rate was 1.54 per thousand skier days, which is below previous years and well below the accepted international average of 2.4 per thousand skier days.

Most accidents attended to were for minor injuries at the beginner areas of The Summit and The Big D, followed by the high traffic area of Slalom Gully. There was significantly less serious trauma than we have seen in several years.

The reduced number of callouts and serious trauma, could be contributed to the weather and snow conditions. The snow was soft and forgiving for most of the season, compared to poor weather which usually impacts the speed at which people ski and snowboard, and the amount of time that they spend on the slopes each day.

Employment Labour

There was considerably more personnel hours spent preparing and packing up the on-slope equipment, in comparison to a normal winter, due to the opening and closing of many areas and runs several times throughout the season. The above average precipitation also caused digging and de-icing to consume more personnel hours than usual.

Search and Rescue

There was only one major search for the 2016 winter season. A man had become disorientated in poor weather and alerted his brother by phone. He was found an hour

later, on dark, in a heavily treed off piste gully within the Resort, after a detailed search of the suspected area.

Rope Rescue

There were four evacuations requiring roped rescue from extreme terrain during the season. The most notable was the extrication of a 15-year-old, who had sustained a broken leg after sliding 150 metres down the gully, between the Snowbird Hotel and the Race Squad hut. The evacuation required eight patrollers and took two hours.

Several patrollers also attended to a backcountry skier who had slid 200 metres off the eastern side of the Razorback ridge. The man had only sustained minor injuries and was able to be walked back to the Great Alpine Road.

Avalanche Hazard

There were several days of a potential high avalanche hazard during the early season storms and prolonged warm periods of the spring. Avalanche control work was conducted during these times, with several mornings which resulted in the mitigation of significant hazard. There were no reports of any inbound avalanche involvements during the season, however there was a close call in the back country terrain below the Australia Drift T-Bar. An avalanche alert had been posted that day in the back country field, on the Mount Hotham website.

School Talks

Ski Patrol continued the School Education Program which involved weekly presentations delivered to visiting school groups. The focus was on snow safety and accepted/expected slope use.

Junior Open Day

The Junior Open Day program proved very popular for its third year running. Two groups of up to 12 school children from the local area (and other regular visitors), spent four hours learning about the operations of Ski Patrol. They were shown various skills throughout the day and participated in the sweep of the mountain on closing. The children enjoyed the experience and it was great public relations for the Ski Patrol.

Training

Along with the usual training program, there was a concerted effort to dedicate more time to facilitate training for experienced patrollers in the more complex and higher risk skills of the job. Training and refreshing in these specialised skills has been lacking for several years, which is mainly due to the time and resources needed to ensure its effectiveness.

An intensive rope rescue training program was conducted during the week after the opening weekend, while search and rescue, and steep snow and ice training were conducted when time and resources allowed during the winter. The programs proved very successful, although more time and resources should be allocated each season to these (and some other high skill/high risk tasks) for consistent outcomes, and to allow more patrollers (both pro and volunteer) to be included.

A training calendar was implemented this year which helped give structure and direction for the season's objectives.

There were five new trainees who all proved very capable and progressed through the training at a good rate.

Two patrollers attended the Police Rope Rescue Course held at Falls Creek.

An intensive training weekend focusing on higher level skills was conducted for senior volunteer patrollers.

Three patrollers attended and passed the National Exams in Thredbo.

Trail Crew

The volunteer Trail Crew Program proved enormously helpful with on slope equipment maintenance and as a great stepping stone into the volunteer ski patrol. There were four trail crew members.

Volunteer Patrol

The volunteer patrol contributed a total of 520 shifts for the winter (including trainee and cross country shifts), which is an increase in 100 shifts from last year. The 363 qualified volunteer patroller shifts account for approximately 23 per cent of all ski patrol shifts.

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

Summer projects

A summer jobs list has been compiled with a focus on renewed and new signage at several entry points to the ski area. There is continued maintenance and replacement of the area boundary pole lines and some minor infrastructure.

Snowmobiles

The third purchase of a much needed four-stroke snowmobile last season proved its

worth this year, with many days requiring all machines to be out in the field, and carrying heavy loads. The swap out machines that are used, when the usual fleet are being serviced or repaired, are not suitable as emergency response vehicles for various reasons. The purchase of another four-stroke in the MHARMB fleet would help to dissolve this problem.

Patient transfers within the Resort

Ambulance Victoria transfer approximately 50 per cent of casualties from the various pick up locations around the Resort to the Medical Centre, while the other 50 per cent are transported by the Ski Patrol Ambulance. In recent years, there has been a large increase in the use of the vehicles, which requires extra personnel to be available to drive them. The volunteer patrol have procured a substantial grant to part fund the purchase of a new vehicle.

Staff numbers and morale

Staff numbers were adequate and the team managed to work very well together. However, there were times during the peak season where staff capacity was low. This was due to a combination of having fewer part-time staff available to call on, than in previous years, and the extra workload caused by the fluctuating snow cover.

Winter	2013/14	2014/15	2015/16
Days for winter	114	113	96
Night skiing nights	20	30	25
Maximum natural snow depth (cm)	149	112	119
Total accumulated snowfall (cm)	286	248	349
Visitor days	332,281	313,341	328,602
Skier days (approximate)	246,684	250,276	211,339
Accident rate per 100 skier days	1.18	1.77	1.5
Incidents attended by ski patrol	841	940	776
Incidents referred to medical centre by ski patrol	471	441	378
Ski Patrol			
Paid ski patrol staff	20	22	21
Paid ski patrol shifts	1167	1193	363
Volunteer ski patrol staff	33	31	37
Volunteer ski patrol shifts	347	289	127
Volunteer ski patrol trainees	6	8	7
Ski patrol trainee shifts	128	118	313
Cross country ski patrol shifts	14	11	24

Our Customer and Community Focus

Snowplay

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

Despite snow management efforts at the beginning of the season, a lack of sufficient natural snowfalls resulted in the Wire Plain toboggan area being unsuitable until the early part of July. However, the flexibility of the Resort saw the Field of Dreams (safe alternate toboggan slope) established in a number of different locations, when conditions allowed, prior to and following the Wire Plain area having sufficient snow coverage. This allowed snowplay guests a safe area to enjoy.

The snowplay area in the Davenport Village maintained good snow cover throughout the winter season. The installation of picnic tables and a fire pit resulted in increased utilisation of this area.

The winter saw two private operators who operated out of the Wire Plain area, and provided dog sled tours, snowmobile tours, toboggan hire, refreshments and kids snowmobiles. These facilities were supported by the MHARMB intra-village bus service and the grooming of the toboggan slope and multi-use trail network (snow conditions permitting).

Cross Country Skiing

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

The lack of snowfall in the early part of season resulted in delays to the grooming of the cross country trail network. When the conditions finally allowed, MHARMB's groomers used a number of methods, including snow farming and harvesting, to ensure the trail network maintained maximum coverage for as long as possible.

Mount Hotham's cross country trail network played host to several events this year including the "25th Hotham to Dinner Plain" race which was supported by 111 entrants,

and both the Victorian and Australian biathlon championships. These events boasted the strongest fields of competitors. The 2016 Victorian Biathlon Championships had the largest seen number of registrations at a total of 90 entrants, while the Australian Biathlon Championships had a total of 120 entrants, with participants who travelled from as far as Italy, UK, Canada and USA. The international coach Luca Bormolini was based at Mount Hotham, and worked closely with the Australian Biathlon team.

The biathlon range and associated trail network was well utilised by both local and international visitors, and there continues to be development of the Mount Hotham Range as part of the 2016-2017 Shooting Sports Facilities Program.

The MHARMB worked closely with the Australian Biathlon Association (ABA) to support a planning application for grant funding, to increase the number of lanes at the Biathlon range. The grants were received and the works will result in the range being suitable to host future international events.

Transit Operations

The topographical layout of the Resort requires the provision of an efficient and effective transport and car parking service.


The Resort transport and parking service is provided between the hours of 6.30am and 2.00am (3.00am Friday, for late Friday night arrivals). The service is provided for both day and overnight guests, with peak loads being influenced by several things including coinciding with lift opening times, Friday night arrivals and increased weekend visitation. The bus transport network extends from Hotham Central to Whiskey Flat, with parking services which extend to Loch Car park. At Ski Patrol's request, transport was provided from Loch Car park to the village precinct.

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

The transit operations team comprises of more than 20 seasonal employees, of which are both returning and new seasonal employees. Our staff bring a wide range of experience from varied backgrounds. All staff are inducted in-house and require, as a minimum, to hold; a Medium Rigid (MR) licence, Victorian Taxi Directorate Drivers Accreditation, and Hazardous Area Authority. There were new and returning employees who completed the Hazardous Area Bus Driving Course at the commencement of the 2016 winter season, with further in-house training being conducted prior to the commencement of the season. Seven guest service and vehicle accountability staff worked closely with transit operations staff, to provide additional guest information and ensure compliance with the Resort's permit and parking regulations.

The smooth delivery of guest services and village transport, over record visitation days, during the 2016 winter season, is testament to the hardworking staff and the services provided by MHARMB. There were no major incidents or breakdowns reported over the season which reflects the skill of the drivers, management systems and the high level of maintenance provided by the workshop mechanics.

MHARMB's bus service became accredited under the *Bus Safety Act 2009* on 30 December 2015, with two transit operations staff members completing the Safety Management Course for Bus Operators, during the 2015/16 summer.



The resort transport and parking service is provided between the hours of 6.30am and 2.00am (3.00am Friday, for late Friday night arrivals).

Our Services Utilities

Key utility services provided by MHARMB include:

- A reliable supply of potable water that conforms to Australian Drinking Water Guidelines and the DHHS Risk Management Plan
- The collection and processing of wastewater to comply with EPA licence conditions
- The disposal of putrid-rotting waste at the Cobungra landfill, in accordance with the EPA best practice guidelines for Landfills Exempt from Licencing (LEFL)
- The storage and supply of Liquid Petroleum Gas (LPG) throughout the village in compliance with the *Gas Safety Act 1997*.

Potable Water

The source of the village water supply is the upper reaches of Swindlers Creek. This is a catchment area of 177 hectares, with a number of small spring-fed tributaries flowing into a raw water weir. Raw water flows under gravity from the weir to the raw water pump station. It is then pumped up the rising main 300 metres to the storage tanks on the summit of Mt Higginbotham. The stored raw water flows to one of two ultra violet (UV) facilities for disinfection, immediately prior to distribution for consumer use.

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

Samples are taken at two points: immediately after UV treatment and at two designated consumer tap points throughout the Resort. Monthly sampling is also taken from the raw water weir prior to UV treatment. No E. coli was detected in any samples collected during the reporting period, achieving 100 per cent compliance with the drinking water quality standards. A copy of the 2015-16 Drinking Water Annual Report can be found on the website at www.mthotham.com.au. In November 2016, amendments were made to the Australian Drinking Water Guidelines (ADWG).

MHARMB holds an annual diversion licence with Goulburn Murray Water (GMW) for the extraction of water from Swindlers Creek. MHARMB consumed an annual total of 124 megalitres of water for the reporting period and 62 megalitres during the period 1 June 2016 to 30 September 2016. This equates to approximately 0.20 kL per visitor day.

The construction of the new Swindlers weir and inlet structure, for the Swindlers Valley pipe, was completed in the 2016.

	13/14	14/15	15/16
Class A	11,682 kl	6962 kl	12,059
Dargo discharge	67,644 kl	78,260 kl	72,949
Total discharge	79,326 kl	85,222 kl	85,008
Percentage recycled	15%	8%	14%

Further upgrades and some installations at the Mount Hotham Wastewater Treatment Plant (WWTP) in 2016, saw improvements in the overall plant performance and efficiency, with a focus on occupational health and safety (OH&S).

An upgrade program has commenced, which will replace the old Zener drives that run the blowers with the new ABB drives — starting with blower one. The old drives no longer have spare parts and maintenance backup so it was decided to phase them out and replace them with the ABB drives. These drives have spare parts and maintenance backup and can be integrated fully into the SCADA operating system that runs the Mount Hotham WWTP.

As part of this process, the emergency stop system on blower one has also been upgraded, which improves operational health and safety systems. The general-purpose pump also saw major upgrades with a new working platform installed. This features two new pumps and a new control system, which has enabled it to be fully integrated into the SCADA operating system. Previously, there was only one pump in the well and we have had trouble over the last few years with breakdowns during critical periods.

Wastewater

During the annual maintenance program, all the aeration tanks, the digester and the gravity thickener were cleaned and inspected.

Replacement of all the diffusers in Tanks 4 and 5 are expected to be completed this summer, bringing them in line with Tanks 1 and 2, to improve overall aeration efficiency.

Production of Class A recycled water from the ultrafiltration (UF) plant for snowmaking ran well for most of the ski season, and became one of our biggest overall production seasons in recent years. An environmental stream monitoring program has been implemented, to monitor over time how the Class A recycled water is impacting the environment from the UF plant to Loch Dam to Swindlers Creek.

The key objectives of Mount Hotham WWTP is to continue to work towards improving overall operational efficiency, improved Class A recycled water production and biosolids reuse, in compliance with our EPA license and Department of Health and Human Services obligations.

Our main challenge for the coming year will be to increase the amount of reclaimed water sent up to Loch Dam and, therefore, decrease the discharge to environment as much as possible.

Our Services

Solid Waste Management

MHARMB is responsible for the collection and disposal of household putrescible waste generated within the Resort boundaries from Wangaratta Ski Club (near Dargo Road) through to the Mother J's snow clearing station.

The continuation of the wheelie bin trial, conducted in the Davenport Village precinct, saw further installation of wheelie bins in several hutch locations. Wheelie bins were then transported by snowmobile to the road for handling by the MHARMB waste compactor vehicle. The trial was well received by operators in the Davenport area, and has provided valuable insight into future collection options for the Resort.

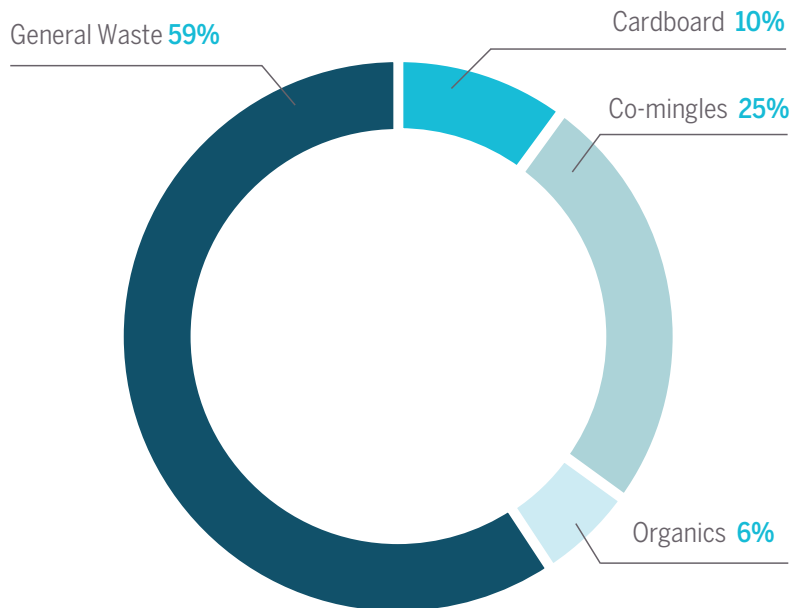
The MHARMB environmental team continues to work with the community through education and the provision of information on all aspects of the waste collection service, with attention to the recycling and organics collection. This was facilitated by the lodge managers meeting and ongoing information provided to both lodges and commercial operators within the Resort.

Another open day, initiated by MHARMB, was held at the transfer station for the public. The solid waste staff demonstrated the recycling procedures conducted by MHARMB on the mountain and explained where the final product is transported. MHARMB appreciates everyone for their attendance on the day and their commitment to recycling and investing in our future.

The 2016 season saw the community divert more than 20 tonne of organic material from landfill. The organics collected throughout the Resort was transported to the Cobungra Landfill site, where it is processed through composting and the addition of wood chips and sawdust. Once the composting process is complete, the product (subject to final testing) will be utilised by the MHARMB environmental team for revegetation works within the Resort.

During 2016 winter season, more than 20,000 clear recycle bags were collected and processed at the transfer station. This resulted

Percentages of Recycled and Waste 2016



in 86 tonne of comingled recyclables which was collected for recycling, and a 10 per cent increase on the 2015 winter season, with an additional 36 tonne of cardboard collected for recycling. MHARMB collected both polystyrene and recyclable collection bags. A total of 2.2 tonne of empty recycle bags and 200kg of polystyrene has been diverted from landfill.

Total waste to landfill for the 2015/16 year was 205 tonne; an increase of 25 tonne, or 13 per cent, from the previous year. This is reflective of the increased visitation for the 2016 winter season.

To assist the community in the coming year, MHARMB will conduct a number of hard waste and green waste collections during the green season.

Litter Reduction Program

Regular roadside litter collections and maintenance of the public place bins continued for winter and immediately following the snowmelt. A large amount of litter was collected which has minimised the impact on the environment. Further to this, the annual community "Clean-up Hotham Day" was

conducted on 15 November 2016, a little later than usual due to the extended snow cover into October. The "Clean-up Hotham Day" was supported by MHARMB, Mount Hotham Skiing Company (MHSC) and a number of other stakeholders.

During winter, 9 kilograms of cigarette butts were collected from public areas, lodges and the Snowbird Inn and were sent off to Enviropoles, where they will be recycled and transformed into entirely new products including park benches, fashion items, household utensils, office equipment, toys, gardening tools and building materials.

MHARMB appreciate the efforts of Enviropoles who picked up the cost of recycling cigarette butts collected from Mount Hotham Alpine Resort in 2016.

Cobungra Landfill And Compost Facility Operations

The Cobungra site is situated approximately 30 kilometres from the Mount Hotham Alpine Resort along the Great Alpine Road. It operates under a lease arrangement with DELWP for use of the land as a rubbish depot under the *Lands Act 1958* and has been operating since the 1980s. The site received putrescible and inert waste from general and commercial operations within the Mount Alpine Hotham Resort. Hard waste and hazardous materials are not received at the facility and is closed to public access. An area of the site is used

for receiving and treating biosolids from operations at the sewerage treatment plant.

Groundwater sampling was again conducted in December 2015. Bore hole 6 (at a depth of 15 metres) remains dry. Bore hole 5 sampling found nitrate levels again more than ANZECC guidelines for Segment A groundwater levels at 13.4mg/l, similar to 2014 results and below the EMP target of 20mg/l.

Following on from the success of the initial trial of windrow composting, during the spring of 2015, MHARMB committed to transporting all organic waste collected across the Resort to Cobungra Landfill as

a trial extension. MHARMB staff collect weekly data on the composting material including quantity of feed stock, rotation, temperature and visual observations on moisture content. Due to the high food content (hence high nitrogen levels) of the feedstock, a carbon supply was sourced. Sawdust and mulch from the Swifts Creek sawmill is mixed with food waste, as determined necessary by staff. The final treated product of organic waste collected during winter season 2016 once fully processed, tested and allowed to mature, is expected to be utilised in proposed landscaping works within the Mount Hotham Village.

Gas Operations

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

During the reporting period, MHARMB undertook all mandatory recurrent maintenance procedures and testing as required under the *Gas Safety Act 1997*. This included the annual cathodic protection testing and reticulation system leakage survey. The ten-year internal inspection of gas Tank 1 and the hot water vaporiser was undertaken as required under the Australian standard.

The ten year internal inspection involved:

- Complete refit of Tank 1, which included retro-fitting of air-operated control valves, replacement of safety pressure relief valves, and other minor repairs, leak tests and recommissions;

- Complete Class 2 sand blast and re-paint of Tank 1; and
- Inspection of the electric vaporiser electrical system.

Inspection, re-fit and certification works were completed by an independent auditor.

Other maintenance and upgrades by MHARMB gas operations included:

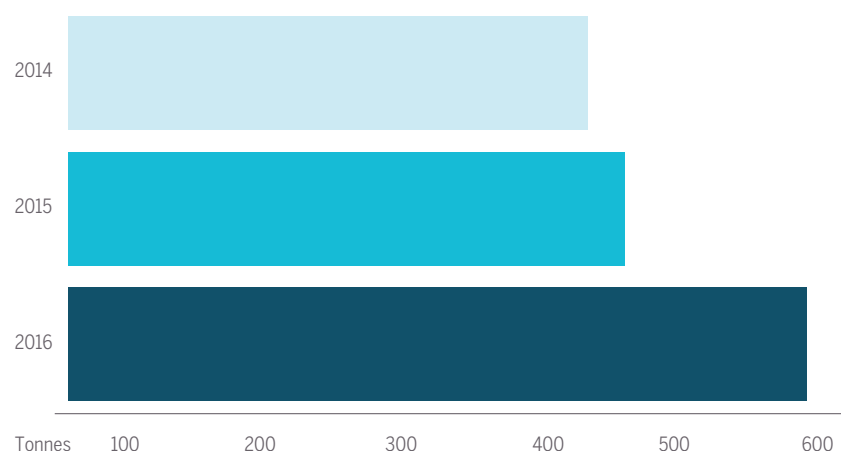
- Installation of new main regulator train weatherproof enclosure;
- Replacement of access stairway and landings at the gas tank enclosure;
- Connection and commissioning of a new 63 mm gas main extension commencing at the MHARMB workshop, and running along the Great Alpine Road to service Slatey Shed;
- Continuation of the on-going consumer meter installation program;

- Administrative works which included the updating of maintenance checklists and gas delivery log books;
- Revised gas system emergency management manuals; and
- Upgraded and improved reticulation mapping and development of standard installation plans.
- A comprehensive progress report of MHARMB activities in regards to the L.P.S system was provided to ESV.

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

MHARMB received 738.26 tonne of LPG to service customers across the Resort under contract with Origin Energy, during the 14 month reporting period 01/11/15 to 31/12/16. In comparison, over a 12 month period, 597.98 tonnes was delivered in 2015 and 512 tonnes in 2014.

Tonnes of LPG used across the Resort



Our Services

Asset Management

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

Key objectives of our capital works programs have been to augment infrastructure to meet development demand and provide enhancement to village aesthetics, guest

services and operational capacity through improvement to long-term infrastructure and development.

As much infrastructure is underground, we are conscious of providing a sense of progress for stakeholders through balanced provision of visible community facility or aesthetic improvements.

MHARMB is responsible for key utility services and infrastructure including potable water, sewerage, LPG and stormwater systems. These systems have been installed over the past 35 years to various standards. In the previous ten years, much work has been undertaken on locating, identifying, undertaking inspections and logging these key infrastructure elements.

Geotechnical Program

Since 1998, MHARMB has been working cooperatively with the Department of Environment, Land, Water and Planning (DELWP) to manage land stability risks across the Resort. The land stability program has identified and mitigated a range of risks which were identified through the land stability survey and which was conducted by Snowy Mountain Engineering Corporation in 1997.

The continued geotechnical project follows on from the corrugated iron pipeline to divert water in Swindlers Valley. This was installed in the 1980s, diverting Swindlers Creek underground within the vicinity of the Heavenly Valley ski field area, and was severely degraded.

The Swindlers Valley Pipeline Replacement Project saw MHARMB receive \$6.02 million in funding from the Victorian Government with a total project budget of \$7.6 million.

We sought expert judgement and consultation in the design and development of the pipeline and inlet control structure, to ensure a 100-year lifespan and to accommodate flows from Slalom/Snake Gully and Upper Swindlers catchments for current and future extreme hydrological events.

We undertook comprehensive catchment analysis calculating total peak flows at the Upper Swindlers' catchment output location (36m³/second). Considering additional flows from Slalom Gully catchment, the overall pipeline has been designed to have a hydraulic flow capacity of 46m³/second.

A three-phase low risk approach was adopted for the project; stage one design and preliminary works were completed during 2013/14; stage two pipe replacement works were completed during 2014/15; and stage three works focused on construction of the inlet structure, and was completed ahead of time and on budget.

MHARMB operated as the 'head contractor' for the works and undertook a 'hands on' coordination and management role for each of the works packages. MHARMB engaged specialist contractors, undertook works using its own staff and plant, and engaged specialist advisors to provide advice when required.

The constraints of the project were recognised in the early planning, including the remote location of the site, the complexity of in-ground services, the short construction season and the considerable impact the works would have on the valley and the Resort as-a-whole.

The Project Management Plan was an essential part of the project planning. Formal sign-off by the Chief Executive Officer and the board members ensured an appropriate level of rigour was applied to the planning, analysis and documentation of the project. Ongoing reporting to the Board and the Department in the form of a 'traffic light' reports provided an appropriate level of reporting and governance, while not overburdening the project team with internal or external reporting requirements.

Having an enforced period (snow season) when site activities could not take place was beneficial in that it 'forced' the project team to prepare for the short summer construction period and make use of this time to plan and design the project works accordingly.

Stage Three Works

The reinforced concrete inlet structure is approximately 20 metres wide, 10 metres long and 5 metres deep; it directs and accelerates water into the Swindlers Valley Pipeline.

A specialist contractor was appointed to construct the inlet. The MHARMB coordinated the support services that are required to allow the contractor to operate in the remote location. A proprietary 'Peri' formwork system was used to facilitate the construction of the inlet, with its series of complicated angular walls and sloping base slab.

MHARMB provided support services for the work including site survey and construction control. In addition, the MHARMB organised disconnection, replacement and commissioned several critical services, including the Resort's potable water supply.

After construction of the inlet was complete, the MHARMB managed backfilling,

reinstatement area and placement of rock armouring, where required. Some revegetation of the area was undertaken prior to the 2016 winter season, with ongoing revegetation to occur over the next two years.

Capital Works

Each year, MHARMB adopts a capital works program which is a prioritised 10-year program. The value of the annual program depends on available surplus, the previous financial year's depreciation and availability of external grant funding; as from time to time MHARMB secures third party funds for specific projects.

Seven key drivers, guide decision making for priority projects:

1. Asset replacement;
2. Infrastructure maintenance and development;
3. Opportunistic;
4. Regulatory;
5. Village aesthetics;
6. Geotech/land stability; and
7. Risk Management.

During the 2015/16 reporting period, capital works program included finalisation of service utilities and additional new bay construction to Slateys Shed. The new bays supported the installation of Hotham365 equipment. Based on the bus shelter prototype design originally trialed at the General, an additional three bus shelters were commissioned and will be installed at Whisky Flat, Whiteys Car Park entrance and an additional location yet to be determined in 2017.

Drainage upgrades and verge sealing work continued along the Great Alpine Road (GAR) primarily adjacent to the Hull Skier Bridge, and included installation of drainage and construction of a new rock wall to improve aesthetics of the area during the

2015/16 construction period. A second rock wall extending between the GAR and MHSC workshop, including earthworks, construction of a supporting retaining wall and installation of street lighting, commenced at the end of 2016. This area will provide up to an additional 30 car parking spaces at 90 degrees for winter season 2017, whilst ensuring a skier path from the bridge to the front of Zirkys is maintained.

Preliminary work to upgrade utility services within the Hotham Village to support the "Growing Mount Hotham" project also commenced. For the first time at Mount Hotham, tunnel boring equipment was used to minimise disturbance footprints associated with the installation of new

storm water drainage and deep sewer pipelines underneath Corral Car Park during the 2015/16 summer construction period. This construction technique proved highly successful. Additional tunnel boring work has commenced during the 2016/17 construction period to complete storm water, sewer and water utility upgrades to the Hotham Central area and to enable pipework to be installed under the GAR, without requiring disruption to traffic movement.

The "pop up" Village Square within the Corral Car Park area was designed with assistance from Hansen Partnership, urban design and landscape architects, and constructed prior to winter season 2016, to showcase the development of the "Growing Mount Hotham" project.

The ongoing improvements to visitor experiences on the Tracks and Trails network continued with trailhead and picnic shelters, and additional picnic tables installed at strategic locations across the Resort. Signage was installed by MHARMB as part of the ESTA street number project.

The asset and fleet replacement program continued and included two new skidoos, which were purchased for cross country grooming and ski patrol operations; a new slasher for the tractor; a mini excavator for village and trail maintenance; office equipment; and medical centre equipment.

Capital Expenditure & External Funding Report

	Funding Received	2015 Expenditure	2016 Capitalised Expenditure	Works in Progress at 31 December 2016
2015/2016 CAPITAL WORKS PROGRAM				
Asset Replacements				
Office systems & equipment	\$0.00	\$0.00	\$43,348	
Fleet, plant & equipment replacement	\$0.00	\$0.00	\$191,470	
Hotham365 equipment	\$0.00	\$0.00	\$84,946	
Medical centre equipment	\$0.00	\$0.00	\$21,393	
Sub Total for Asset Replacement			\$341,156	\$0.00
Strategic Initiatives				
Trailhead/picnic shelters	\$0.00	\$0.00	\$46,045	\$5,788
Signage	\$0.00	\$0.00	\$17,679	\$908
Picnic tables	\$0.00	\$0.00	\$13,516	\$0.00
Digital tour guide	\$0.00	\$7,045	\$2,273	\$0.00
Street name numbering system	\$0.00	\$0.00	\$19,968	\$10,878
Sub Total Strategic Initiatives	\$0.00	\$7,045	\$99,480	\$17,574
Infrastructure				
Great Alpine Road: verge sealing & Hotham Central utilities services relocation	\$0.00	\$0.00	\$1,001,428	\$4,562
Bus shelters	\$0.00	\$0.00	\$20,401	\$20,401
Slatey Shed utilities & services connections	\$0.00	\$98,744	\$222,474	\$0.00
Slatey Shed finalisation of bays	\$0.00	\$0.00	\$172,447	\$0.00
Great Alpine Road: drainage works	\$0.00	\$44,992	\$138,398	\$10,417
Village Square	\$0.00	\$0.00	\$193,947	\$4,272
Sub Total Infrastructure Developments	\$0.00	\$143,736	\$1,749,093	\$39,652
Geo-Technical				
GAR Batter Works Fountains	(\$50,000)	\$0.00	\$0.00	\$0.00
Swindlers Valley drainage	(\$7,154,544)	\$6,421,216	\$1,377,366	\$0.00
Total Geo-Technical Expenditure	(\$7,204,544)	\$6,421,216	\$1,377,366	\$0.00
Total Capital Expenditure for 2015/2016	(\$7,204,544)	\$6,571,997	\$3,567,096	\$57,226
2017 CAPITAL WORKS PREPAYMENTS PROGRAM				
Growing Mount Hotham Project	\$0.00	\$0.00	\$0.00	\$25,610
Loch Car park upgrade	\$0.00	\$0.00	\$47,897	\$47,897
Operations Centre mezzanine	\$0.00	\$0.00	\$61,673	\$61,673
Hotham Central relocation of deep services	\$0.00	\$0.00	\$42,636	\$42,636
Resort Entry camera upgrade	\$0.00	\$0.00	\$87,458	\$87,458
Rockwall from Skier Tunnel	\$0.00	\$0.00	\$52,323	\$52,323
Street lighting, skier tunnel to Zirkys	\$0.00	\$0.00	\$1,183	\$1,183
Installation of bus shelter at Whiteys	\$0.00	\$0.00	\$706	\$706
Plant and equipment Tracks and Trails network	\$0.00	\$0.00	\$43,640	\$43,640
	\$0.00	\$0.00	\$337,517	\$363,127
Total Capital Expenditure	(\$7,204,544)	\$6,571,997	\$3,904,612	\$420,352

Our Services

Fleet Maintenance

MHARMB's workshop mechanics maintain a large fleet of vehicles, plant and equipment in full readiness for a variety of tasks throughout the year. The year saw a new mechanic Ian Price on board, who replaced Eddie Maguire in December.

The buses commissioned for the 2016 winter season performed well with no major breakdowns, and were still in service by the end of the season. Weekly safety checks and preventative maintenance helped with the successful reduction of breakdowns and increased reliability to our winter service.

MHARMB has a fleet upgrade program in place to replace items on a regular schedule. This reduces maintenance costs, unplanned breakdowns and ensures better trade-in prices, before the items depreciate past their optimum replacement value. Maintenance was carried out on all vehicles, including snow

vehicles, and a new set of tracks was put on the snow grooming Kässbohrer.

The summer saw the purchase of a new cross country snow mobile which is to replace the aging units, to increase performance for cross country skiers, and will be ready for use in the upcoming season.

There has been downsizing of snow mobiles which has seen four older machines replaced with two new ones. This will lead to a reduction in service costs and increase productivity and reliability of the fleet, who won't have to carry out time consuming and costly repairs on old vehicles.

In November 2016, the garbage truck went through major refurbishment in Melbourne. In previous years, it has been maintained in-house and was due to have a thorough service. This will help to ensure

its effectiveness and increased reliability in coming seasons.

The air compressor was beyond serviceable repair and was replaced with a new model compressor, which offers increased performance and adds to the efficiency of the fleet. In addition, a new grinder and a fume extractor for the exhaust was purchased. The fume extractor increases workplace safety, as it allows vehicles engines to run inside the workshop while undergoing maintenance.

Annually, an external audit is conducted on the buses where tests include a dynamic test, break rolling resistant and visual inspections. No defects were found. The bus inspectors recognise and acknowledge the workshop staff on the sound condition of the buses, who worked exceptionally hard over the summer works program, which is carried out every year.

MHARMB workshop mechanics maintain a large fleet of vehicles, plant and equipment in full readiness for a variety of tasks throughout the year.



Our Developer Services

Mount Hotham has significant recreational attributes afforded by its unique location and environment. It also has substantial future development opportunities, including available land for ski area expansion, opportunity for enhanced and augmented snowmaking capabilities and potential to further develop winter and summer amenities.

MHARMB's approach to sustainable growth and development of the resort is founded on the vision "to share an amazing alpine experience" and a strategy that will:

- Maintain and build upon its functional role as a preeminent winter tourist destination through the provision of a diversity of winter activities and experiences;
- Focus on expanding opportunities for summer/non-winter season activities and experiences in a sustainable way;
- Encourage new commercial development opportunities, which builds upon substantial asset investment;
- Facilitate a new 'village heart' at Mount Hotham Village to accommodate new commercial, leisure and recreational hub for the Resort;
- Ensure Davenport Village, Wire Plain and Whiskey Flat precincts perform supporting roles, based on expectations of resort users and visitors; and
- Ensure visitors are seamlessly directed to their intended destination to reduce travel time, thereby increasing their recreational enjoyment of the Resort.

During this reporting period, the focus has been on the preparation of a Master Plan and the resolution of the planning impediments associated with Bushfire Management Overlay and native vegetation offset provisions.

Master Plan

Hansen Partnership was engaged to develop the Master Plan for Mount Hotham in January 2015.

The Minister for Energy, Environment and Climate change has provided in-principle support for the Master Plan and has been submitted to the Minister for Planning for consideration.

The aim of the plan is to ensure future development of Mount Hotham proceeds within the context of a clearly documented and strategically supported policy framework. Once finalised, the Mount Hotham Master Plan will provide certainty for stakeholders and investors and confidence for government that Mount Hotham's functional role and future opportunities are appropriately managed and coordinated.

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

The work completed so far has resulted in the development of:

- An overall vision statement for Mount Hotham.
- An analysis of the existing conditions of Mount Hotham and the designation of five activity node 'precincts' (being: Hotham Central, Over Snow, Davenport, Wire Plain and Whiskey Flat).
- An overall Mount Hotham Resort Framework Plan to guide the functional roles of designated precincts within the Resort.

- Specific vision statements and framework plans for each of the five designated precincts.

The Master Plan has been completed and will now be sent to the Minister for Planning to be incorporated in to the Alpine Resorts Planning Scheme as a reference document. Once finalised, the Master Plan will identify the medium to long term vision for Mount Hotham. The final Master Plan will not seek to nominate fixed or mandatory outcomes, rather provide a flexible 'road map' to guide future development initiatives.

As prescribed by the Alpine Resort's Strategic Plan 2012, other elements of the Master Plan will contain further information dealing with:

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





Our Developer Services Development Growth Plan

In early 2016, the Board finalised a Development Growth Plan, which aimed to establish a common vision, direction and purpose for capital works and development activities, centred around the aim:

“To share an amazing alpine experience”

The Development Growth Plan outlines some of the parameters, timelines and process required to implement the Master Plan, and has led to the creation of the “Growing Mount Hotham” project and Expressions of Interest for the Corral Area. Crucially, the plan emphasises the importance of cocreation with stakeholders.

Development Growth Officer (DGO)

A Development Growth Officer (DGO) was appointed by MHARMB in May 2016, to assist in the finalisation of the Mount Hotham Master Plan 2016 and the implementation of its goals. Along with administering the majority of property administration functions within the Resort, the DGO has worked with the Technical Services and Marketing teams to prepare grant applications and bids, manage the Expressions of Interest (EOI) process for private development, and organise events

**A common vision, direction
and purpose.**

.....

for the Village Square. A number of policy reviews have also been undertaken, assessing the way that capital ingoings is levied at the Resort.

Growing Mount Hotham

As part of the 2015 Master Plan process, new strategic directions were determined for the main activity areas of Mount Hotham, including Hotham Central and the Corral car park. Growing Mount Hotham is a \$7.8 million package of works which is to be delivered by MHARMB. It aims to implement the goals of the Master Plan and Development Growth Plan. These works aim to improve services and safety at Mount Hotham by delivering a multi-deck car park at the Loch, re-aligning and establishing a shared pedestrian zone along the Great Alpine Road, and preparing up to three new sites in the Corral Car Park, for private development of new commercial tenancies and accommodation for use year-round. The project will also create a trailhead for the Falls to Hotham Alpine Crossing, and will also generate construction and ongoing employment.

A prototype village square was delivered in the 2016 winter season, which provided a space to test events and hold barbeques and stalls. The proposed package of works is subject to two grant applications, which are currently being assessed. Contingent to funding, it is intended that works will commence in October 2017. An Expressions of Interest (EOI) campaign was held over the 2016 winter season, and concluded in October. The Board has selected a preferred bidder for the first development site, and will commence EOI for the balance of the sites in early-mid 2017.



Our Developer Services

Native Vegetation

On 20 December 2013, amendments to the native vegetation permitted clearing regulations were adopted into a planning scheme. These regulations and the permitted clearing of native vegetation – Biodiversity Assessment Guidelines, were placed under review by the State government in May 2015.

Currently the impact of removing native vegetation is determined from site assessment as well as mapped and modelled data. Offsets are calculated to ensure “no-net-loss” in the contribution made by native vegetation to Victoria’s biodiversity. When native vegetation removal impacts Victoria’s rare or threatened species, specific offsets must be secured. Projects within Victorian alpine resorts often unintentionally impact rare species, due to their limited geographical occurrence on the Australian continent. Offsets for these species are not readily available on credit registers for the similar reasons. Much of the areas these species occur are already protected on Crown Land reserves particularly within the Alpine National Park.

In September 2016, DELWP released a status update on the Alpine Strategic Approach. The strategic offset approach was proposed to assist developers and Boards meet offset requirements. The approach creates an approved mechanism to secure offsets sites within alpine resorts and is defined as:

- Mapping and describing offsets within resort Master Plans;
- Establishing an agreement between DELWP and the Boards under Section 18B of the *Crown Land (Reserves) Act*, including a defined offset management plan with actions;
- Including offset areas within a planning scheme overlay/Crown Land cadastral layer, and;
- Ensuring offset areas are included on the Native Vegetation Credit Register.

MHARMB has worked collaboratively with DELWP to identify areas of the Mount Hotham Alpine Resort that may be suitable for future offset sites. One site surrounding the upper reaches of the Dargo River to the west of the Hotham summit has been identified as a priority site to meet currently clearing requirements. Work is underway to have this site listed on the credit register.

The current regulations are again under review with draft amendments currently under public consultation. Proposed changes are expected during 2017.

Bushfire Management Overlay

The Bushfire Management Overlay (BMO) of the planning scheme is a planning control which aims to implement the State Planning Policy for Bushfire, the objective of which, is to strengthen community resilience to bushfire.

Over the last two years, the Country Fire Authority (CFA), the Department of Transport, Planning and Local Infrastructure, the Department of Environment and Primary Industries and the Resort Management Boards have been working collaboratively, to develop a schedule for the BMO, which would establish an alternative approach to prioritising the protection of human life at the alpine resorts.

In March 2014, amendment C22 was adopted and approved by the Minister for Planning. This amendment introduced a Schedule to the BMO to modify most of the standards in Clause 52.47 Bushfire Protection: Planning Requirements subject to the implementation of emergency

management arrangements to prioritise the protection of human life at each alpine resort. The Schedule also included a number of exemptions from the permit requirements of the BMO, for minor buildings and works.

At the same time, MHARMB was preparing the necessary emergency management arrangements in the form of the Mount Hotham Community Bushfire Emergency Management Plan, which was endorsed by the CFA on 28 May 2014. The endorsement of this plan gave practical effect to the modified standards of the Schedule to the BMO.

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

The modified requirements provide that construction of works must be one of the following:

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

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

Our Developer Services

Leasing

The Alpine Resorts Leasing Policy, including the standardised lease documentation, provides the framework for the leasing of Crown Land in alpine resorts. The policy approved in 2002, takes into account probity, conflict of interest, public interest and competition requirements, and is based on the principles of demonstrated public and economic benefit, transparent lease allocation and process, appropriate lease terms and conditions, consistent lease documentation and approval processes.

Since the adoption of the Alpine Resorts Leasing Policy, 41 new leases have been issued in the Alpine Standard Lease form with an average lease term of 32 years. This represents 48 per cent of the leased or occupied sites within the Resort.

Building Services

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

The inspection program continued the focus on ensuring existing buildings achieve a satisfactory level of fire and life safety. A priority has been to provide guidance on the administrative obligations imposed on owners and managers in order to

maintain nominated essential safety measures within their building. During the inspection process, the Fully Enclosed Covered Area (FECA) of all buildings was measured for rating purposes.

A total of 47 buildings since November 2015, including 9 since November 2016, were inspected, with the majority of issues identified relating to minor deficiencies in exit signage, door furniture and smoke alarm/detector coverage.

Building Permits were issued for five premises and enforcement action was instituted in one case.

Statutory Planning

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

There were nine amendments to the Alpine Resorts Planning Scheme since November 2015, as follows:

	Date	Description
VC131	23 Nov 16	The amendment changes the Victoria Planning Provisions and all planning schemes by amending Clause 52.19 - Telecommunications facility, to exempt a permit application for a telecommunications facility funded (or partly funded) under the Commonwealth Government's Mobile Black Spot Programme from the notice and review requirements of the <i>Planning and Environment Act 1987</i> .
VC130	4 July 16	The Amendment changes the Victoria Planning Provisions (VPP) and all planning schemes by amending Clause 52.32 (Wind energy facility) to delete clause 52.32-8 to restore the panel hearing process where submissions are received regarding relevant permit amendment applications.
VC127	4 Feb 16	The Amendment changes the Victoria Planning Provisions and all planning schemes by: Amending Clauses 11 (Settlement), 12 (Environmental and Landscape Values) and 13 (Environmental Risks) of the State Planning Policy Framework to update reference to the Victorian Coastal Strategy (Victorian Coastal Council, 2008) with reference to the 2014 version. Amending Clause 52.23 (Shared Housing) to clarify that only the use of land and not development is exempt from a permit under the provision.
VC126	28 Jan 16	The Amendment changes the Victoria Planning Provisions (VPP) and all planning schemes by: Amending Clause 52.32 (Wind energy facility)
VC121	21 Dec 15	The amendment changes the State Planning Policy Framework (SPPF) of the Victoria Planning Provisions (VPP) and all planning schemes by relocating an updated Clause 11.04-9 (River corridors) to a new Clause 12.05 (Rivers), and introduces a new Clause 12.05-2 (Yarra River protection)
VC107	26 Nov 15	The Amendment makes changes to the wind energy planning provisions and updates documents that relate to airport planning provisions.

In 2015/16, one planning permit was issued for development at Davenport Central, along with planning permits for works at the Mount Hotham Freehold subdivision. MHARMB has sought permits for works along the Great Alpine Road and at the Loch Car park, and MHSC has sought one planning permit to complete Snowmaking infrastructure works at The Summit.

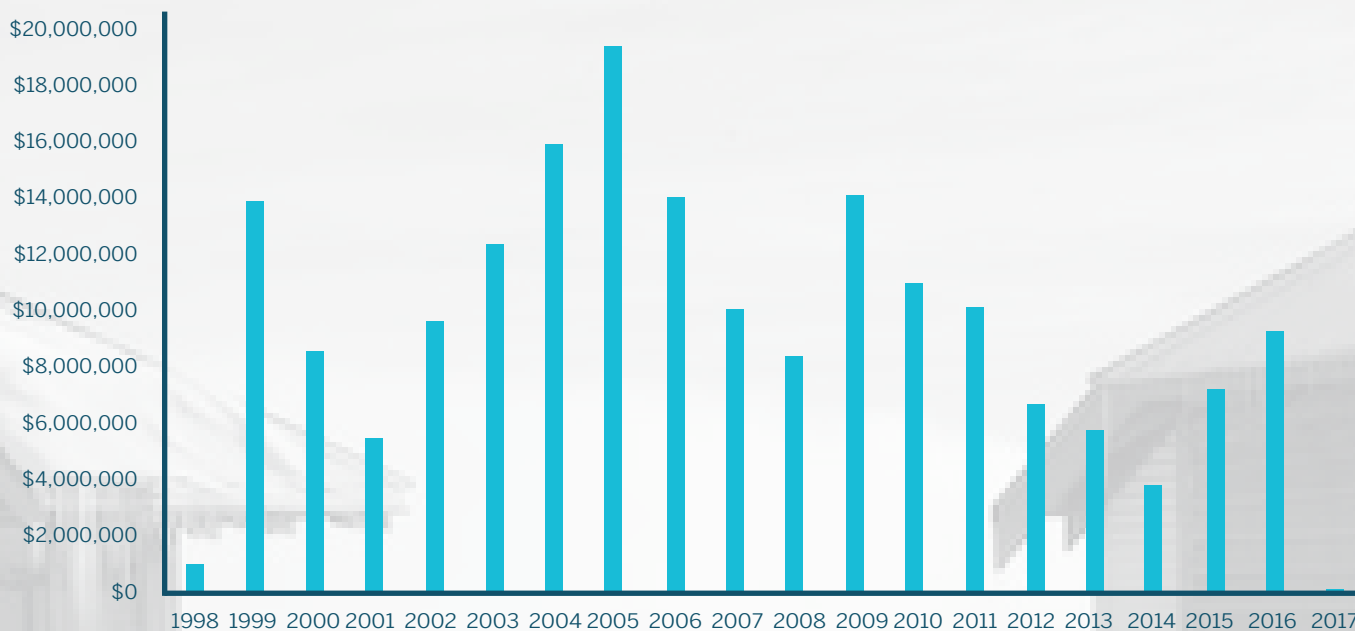
Property Sales

Real estate sales turnover has declined since the peak in 2004, which produced an annual sales volume of \$16.4M. In the eleven years since 2016, sales volume has ranged from \$5.7M to \$10.2M per calendar year. The 1 November 2015

to 31 October 2016 period saw transactions total \$9.2M, compared with \$7.2M for the same period last year. The 1 November 2016 to 31 December 2016 period saw a sales volume of \$115,000.

Turnover in real estate sales for the last 19 years is shown graphically below.

Hotham Sales Volumes 1998-2016



The median price for property transactions for the previous ten years, from 2006 to 2016, has been in the \$200,000 to \$397,000 price bracket, and the median price of 2016 sales is \$151,334, which represents an average unit

price per square metre of \$2,819. Sales volumes have been trending upward since mid-2014, with much of transfers consisting of apartments. This along with several transfers occurring for non-monetary consideration (e.g. Marriage

Settlement and Changes of Trustee) accounts for the decline in median sale value.

Details are shown graphically below.

Hotham Property Sales



Our Developer Services

Environmental Health Services

MHARMB continues its contract with the Indigo Shire Council's Environmental Health Officers to carry out regulatory duties under the *Food Act 1984*, *Public Health and Wellbeing Act 2008*, *Public Health and Wellbeing Regulations 2009*, and *Tobacco Act 1987*. This service requires full compliance and a high standard of public health within the Resort, with assessments and inspections undertaken on food premises, accommodation facilities, health premises, educational visits to ensure tobacco compliance and the investigation of received complaints. Their report is outlined below.

Food premises

During the 2016 season, 24 food premises were registered with Council falling either into a Class 1, Class 2, Class 3 or Class 4 risk category.

Non-registered food premises

Two lodges were informed that they may require an additional food registration in future, if they continue to provide food to their guests.

Routine inspections

All 26 registered food premises were inspected. Additionally, a mobile/temporary premise (Café Play), registered with another municipality, was also inspected with the results to be entered on the state-wide electronic Streatrader system for this type of food business.

Throughout the season, the majority of food premises inspected were found to be satisfactory, and we are of the opinion that the standard of food safety has been maintained to an acceptable standard during the last 12 months. All lodges and caterers complied with all food safety (program) requirements.

Complaints

Council did not receive a food related complaint during this season.

Food sampling

Six food samples were taken from registered premises and sent for testing. All samples were found to comply with the requirements of the Act.

Mount Hotham Food Premises

Category 1	Hospitals, child care centres and aged care centres which serve potentially hazardous foods	1
Category 2	Supermarkets, Take Away, Restaurants, Cafes, Etc	17
Category 3	Premises that handle unpackaged low risk food or high risk pre-packaged food	0
Category 4	Shelf stable pre-packaged items, whole uncut	6
Total		24

Tobacco Act compliance

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

Prescribed accommodation registration

Accommodation facilities are required to be registered under the *Public Health and Wellbeing Act 2008* as prescribed accommodation, if payment is made for a person or persons to be accommodated. For the 2016 season, there were a total of 55 accommodation facilities registered. There are still some inconsistencies with regards to the registration of members' only lodges, which are being addressed through the review of the relevant Lessee's business plans and operating arrangements.

Non-registered prescribed accommodation premises

Two lodges (Alpine Rigi and St. George Ski Club), which may require a prescribed accommodation registration, were identified and inspected during the 2016 season. Both clubs have been officially informed that they require a registration if they operate as accommodation within the scope of the Act (i.e. accepting school groups). These lodges will be contacted prior to the 2017 season to verify if they require a prescribed accommodation registration.

Inspections

In total, 56 accommodation facilities were inspected for overcrowding, maintenance and cleanliness of facilities, number of fixtures available and refuse collection and disposal.

Throughout the season, the majority of accommodation facilities inspected were found to be satisfactory.

Accommodation Complaints

One complaint was received during this season regarding the availability of running water at Tantani Lodge.

Gastro outbreaks

No outbreaks were reported this year.

Health premises

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

Two premises were registered in 2016 under the *Public Health & Wellbeing Act 2008* (A hairdresser and a spa). Both premises were visited and were found to comply. No complaints were received during this season.

Our Year Round Resort Guest Services

The 2016 winter season saw the amalgamation of our transit operations and guest services, which provided a streamline and effective approach for guests. Our guest services team maintained a presence around the Resort's car parks, bus stops and driving buses and were ready to assist guests with their knowledge, directions, tips and resort entry, which made the guest experience more enjoyable and efficient.

MHARMB continued the afterhours service from 4pm until late, at the Guest Services Hut in the Corral Car Park, which assisted guests with their queries and provided a key point for visitor information.

Resort Entry and Parking

Alpine Easy Access is the Resort's online resort entry payment system and is in its sixth year of deployment. This reporting period saw some minor upgrades to the backend of the system with minimal down time experienced throughout the season.

Alpine Easy Access continues to provide direct access to the Resort. This is achieved via Resort Entry Permits which are able to be purchased online, alleviating the need to que at a ticket box, prior to entering the Resort. The MHARMB guest service team continued to sell Resort Entry Passes in the car parks whilst meeting and greeting arriving guests. The majority of regular guests pre-purchased their resort entry prior to arrival, allowing direct access to car parking and ski fields.

The MHARMB guest service team enjoyed coordinating a record number of vehicles which was recorded in the Resort. The Resort has approximately 1,500 designated car spaces within the village transport area. An excess of 2,000 vehicle numbers was recorded on our busiest day which eclipsed the previous record of 1,850 vehicles. Whilst there has been a progressive program of reviewing the Resort's congested parking operations over the last few years, the team was able to provide additional spaces, without too much inconvenience to the guests, and without incidents.

The introduction of the Town Square to the car park in the village centre, saw a reduction of 18 car spaces from the original 120 car spaces. This new addition to the village precinct gave the Resort the opportunity to hold community events in a central location. The increased utilisation of the Resource Area Staff Park at the far end of the Resort, enabled previous staff parking spaces to be used by the visiting guests for overnight parking. This had a flow on effect, and increased day visitor parking spaces throughout the village and elevated the use of the Town Square community initiative.

Great Alpine Road (GAR)

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

MHARMB also contracted the services of a Road Safety Patrol Officer (RSPO) to ensure that guests requiring assistance

with breakdowns, accidents and snow chain issues were able to continue on their journey. The RSPO also coordinated vehicle recovery and the transportation of guests to their destination in a timely manner. This proactive approach ensured guests were prepared and well informed for entering and exiting the resort, whilst successfully minimising road closures due to traffic issues along the GAR.

Marketing

10 Feet Tall

MHARMB have appointed 10 Feet Tall as their advertising agency and have been working continuously with them to create a new nationwide campaign that will launch in April 2017. The aim of the campaign is to create the new Australian alpine identity.

The campaign is based upon the insight that the beauty and the epic scenery and remote location of Mount Hotham has always been its drawcard; but it is the personality and values of its people that make it unique. Its goal is to bring the spirit of Mount Hotham to life and give the mountain a voice.

Key objectives – completed:

- **Market research:** to help define Mount Hotham's audience, obtain key insights and validate/dispel any current thoughts (Vox Pops);
- **Brand Essence workshop:** to define attributes, authority, personality and overall brand essence;
- **Brand Positioning workshop:** in depth review of competitors to define MHARMB's unique positioning in the market;
- **Campaign strategy planning:** creative conceiving, channel planning and

compiling and presenting of board presentations to obtain campaign;

- Filming and photography of Winter and Green season footage; and
- Creation of 'on mountain' stakeholder engagement offering and presentation to showcase opportunity for involvement within the campaign. Outlines key benefits of investing in campaign both from an overarching brand perspective and retail based offering, through inclusion in website, social media, micro site and digital media.

Key Objectives – current:

- On-going stakeholder and relationship management;
- End-to-end management, creation and production of all campaign materials encompassing TV, digital marketing, social media, website content, online video, outdoor, radio; and
- Ongoing campaign planning, strategy and delivery to ensure future communications follow up the initial campaign launch seamlessly, as well capitalising and building on initial success.

Regional Marketing

In association with the other Victorian alpine resorts, we have contributed to promotion of the alpine region and the snow industry through ARCC, Snow Victoria and Tourism North East.

Our Year Round Resort Website

1,231,000

MHARMB operates the website (www.mthotham.com.au) in collaboration with the Mount Hotham Skiing Company (MHSC) and other mountain stakeholders. The website had an increase of 11,000 users compared with the previous year.

Mount Hotham was the first Australian ski resort to install a high definition 360 degree Roundshot web camera that has been operating for two winter seasons and throughout summer. The camera uploads images to the website at varying intervals throughout the day, and gives a complete overview of the Resort from the Hull Skier Bridge on the Summit. The camera deemed popular once again, receiving increased visitation each winter since its installation on the website.

MHARMB also operates a digital explorer website at the address (explore.mthotham.com.au). The site helps visitors discover the countless activities and attractions we have at Mount Hotham during the summer and winter periods. Another website facilitated by MHARMB is the stakeholder website (www.developmthotham.com.au), which communicates information to our stakeholders regarding development, property, standard templates for leases, correspondence, building, planning, environment, lease renewal info and process in building and building requirements.

Statistics for the 2015-16 reporting period

Site Visits:	1,231,000
Page Views	4,283,000
Unique Page Views:	501,260
Winter 2016 Site Visits:	920,000

Communications and Publications

MHARMB distributes a number of communications for the public and its stakeholders via various media platforms including verbal, digital and printed publications. These include:

- Websites (developmthotham.com.au, explore.mthotham.com.au and mthotham.com.au);
- Multi-use shared trail guide;
- Multicultural visitor guides in Hindi and simplified Chinese;
- Disabled Winter Visitor Guide;
- 'Getting Here' Mount Hotham visitor guide;
- Quarterly stakeholder newsletters;
- Community newsletter (digital only);
- Tracks and Trails summer guides;
- Beyond Hotham trek guide;
- Mount Hotham digital tour guide – Explore Mt Hotham;
- A weekly winter "What's On" flyer;
- Ski Patrol talks - provided throughout the winter season to schools and organised groups; and
- Environmental talks - provided throughout the year to schools and organised groups.
- Guided bushwalks - with Andrew Swift's wealth of knowledge, he recites tales of the gold rush era; and
- Billboards displayed on two major freeways in Melbourne for the month of September – a joint initiative in collaboration with Mt Hotham Skiing Company (MHSC) and Mount Hotham Stakeholders.
- Guided Bushwalks - with Andrew Swift's wealth of knowledge he recites tales of the gold rush era, and
- Billboards displayed on two major freeways in Melbourne for the month of September. A joint initiative in collaboration with Mt Hotham Skiing Company and Mt Hotham Stakeholders.

Events

Village Square

The 2016 season saw the introduction of the Village Square in the Corral Car Park. The Village Square is a public space created for guests and stakeholders to relax and unwind. Throughout the season, MHARMB held various events such as marshmallow toasting by the fire pit, demo days by our local snowsports hire stores, and sausage sizzle fundraisers. One of the main events held in the Village Square was the annual Camp Quality Fun Walk on 7 September 2016. The event had over 150 participants, and was in its fourth year. The platform was able to provide the start and finish in a communal location for both participants and spectators to attend. The Fun Walk started

at the Village Square and participants walked to Jack Frost, then returned to the Village Square for a sausage sizzle. The event raised over \$5,000.

Cool Summer Festival

Cool Summer Festival is run by The General in Mount Hotham, who carried out the event in January 2016. The event is aimed at encapsulating the mountain's atmosphere and draws in a crowd from across the regions. The event stretches over three days, set on two stages, showcasing the best in local and interstate Australian music. The weather maintained clear skies the entire weekend, with the festival seeing over 600 patrons, many of who

stayed in lodges and also camped within the Resort at Whisky Flat Car Park. The Board congratulates The General and looks forward to seeing the festival held again in 2018, as the festival becomes biannual with more music, dancing and family fun.

Adventure Kids Festival

The Adventure Kids Festival was held for the second year running at Mount Hotham Alpine Resort. Kids from all over the state attended the nature-based active Australia Day weekend event. The event promotes the outdoors and aims to get kids (aged 4 – 12 years), to get outdoors, away from the TV and video games, and get involved in outdoor adventure style activities.

Hotham365 - All season downhill gravity experience

Hotham365 is a recent initiative that is designed to provide an all season downhill gravity experience.

The training facility includes two indoor ski slopes, that simulate a similar feel and discipline required on real slopes, and is perfect for all ages.

Skiers, racers and snowboarders are able to utilise the facility for pre-season training, to improve their strength and technique, and prepare for the coming winter. Customers can learn new skills or practice old skills during the green season. Beginners and children are able to learn their skills in a safe and controlled



environment, before heading out onto the real slopes.

Hotham365 facility successfully opened in July 2016. Stakeholders had the opportunity to test the facility, including instructors from Mount Hotham Skiing

Company. Its name was chosen to encapsulate the year-round nature of the activity.

Throughout the 2016 winter season, the facility was opened in the evenings from 5pm to 9pm. On poor weather days, when lifts

weren't able to operate, the facility was made free and available to provide an alternative activity for visitors and skiers. It proved to be popular on those days.

Our Strategic Partnerships

Over the past 12 months, MHARMB has continued to build partnerships with on-mountain stakeholders and surrounding communities.

The Consultative Forum has continued its communication platform with major stakeholders, Dinner Plain and Alpine Shire to communicate and share knowledge. In addition to the forum, MHARMB also hosted the annual Stakeholder Briefing, with the invitation now open to all stakeholders on Mount Hotham.

Discussions and agenda items:

- Master Plan update;
- Hotham Central pedestrian safety project;
- Motor Neuron Disease Fundraiser;
- Tracks and Trails for Mount Hotham, Dinner Plain, Harrierville and Falls Creek;
- Destination Action Plan briefings and workshops with TNE;
- Airport levy;
- Dinner Plain / Hotham Bus;
- Capital Ingoings;
- Village Square pop-up;
- Position and branding of Resort;

- Power generation;
- Tourism and Marketing Strategy;
- Development Growth Plan;
- Hotham365; and
- Expressions of Interest

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

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

Our Year Round Resort Walking Tracks & Trails

The shared summer and winter Tracks and Trails network at Mount Hotham has continued to improve with quality of product and user safety, to a recognisable high standard.

Trail Marketing

The free guided bushwalking program has continued for its fifth year in a row. Tours have been conducted over long weekends, offering attendees further historical insight into Mount Hotham's iconic tracks and trails. Continuing under the banner of "Gold, Graves and Perilous Journeys", a diverse range of participants have gleaned an insight into the remarkable history of the region.

Track Notes and Track and Trails Guides continue to be published and updated with new content, and are made available at Mount Hotham and regional visitor information centres.

The new Digital Tour Guide, which was released at the beginning of summer, showcases and provides information on a range of activities in the Resort during the summer months. The Great Alpine Touring Route signage, associated with the chain fitting bays between Harrietville and Hotham, was enhanced with video content and photo galleries, and describes the history behind the names of each location. Eight short video clips take visitors back in time to some of Mount Hotham's founding history. The Digital Tour Guide can be found at explore.mthotham.com.au

Sections of the Tracks and Trails network continue to be upgraded to be made more suitable to trail running, including the Cobungra Ditch and The Big Spur trails.

Picnic and Trailhead Shelters

To further enhance the growing Tracks and Trails network, picnic and trailhead shelters have been constructed by the MHARMB tracks and trails crew. All structures use the same materials already in use across the network, including Cypress pine post and rusted steel features. Materials and design,

feature well in the alpine environment and are representative of the heritage of the area.

Picnic shelters have been erected at Brandy Creek and Dargo Loop Lookout. Shelters have become popular amongst walkers and motorists journeying over the Great Alpine Road.

Trailhead shelters have been placed at the start of trails and have replaced some of the older style winter trail infrastructure, improving the shared trail network. Trailhead shelters are of the same style as the picnic shelters. The shelters contain directional and advisory information, as well as track notes, guides and maps. Provision has also been made for intentions books. This infrastructure greatly enhances the safety of users, as well as promoting the Tracks and Trails network. Shelters were placed at Whiskey Flat, Wire Plain, Possum Flat and at Diamantina Springs.

Esta and Track Marker Post Numbers

Track marker posts continue to be placed across the Mount Hotham Tracks and Trails network. There are now 97 posts across the network at all intersections, each post with its own unique identifier number (UIN). This post number is found on all Mount Hotham Tracks and Trails maps and guides to readily identify user position. In conjunction with the track marker post numbering, ESTA emergency markers have been placed in remoter locations within the Resort. Emergency markers have been registered with the Emergency Services Communications Authority (ESTA), allowing emergency services to immediately and accurately verify the location of a triple zero call.

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

Short Walks and Hotham Back Tracks

A number of existing shorter walks and link tracks, within the Resort and the village area, continue to be enhanced, highlighting routes over the Mount Hotham and Mount Higginbotham summits, and around the Davenport Village area. Additional interpretive material was also placed near the summit of Mount Smythe and Whiskey Flat.

Cultural Heritage

On the 11 April 2016, a memorial to the lost grave of a miner was unveiled at Whiskey Flat. Descendants of William Laurie had approached the Board to identify the site in 2013. Attempts to positively identify the grave were unsuccessful, however Laurie's story, and those of others who perished in the area during the height of the Victorian goldfields, is now marked in the sign placed adjacent to the Biathlon oval. William Laurie, a miner employed in the construction of the Cobungra Ditch, perished as a result of getting caught in a snow storm, whilst attempting to cross Mount Hotham in May 1884.

Our Environment On The Ridge

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

A Statement of the Environment (SoE) Report was developed outlining existing regulatory frameworks, using readily available operational data and existing knowledge of environmental values within MHARMB.

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

1. Landfill management;
2. Diesel fuel consumption;
3. Climate change;
4. Greenhouse gas emissions;
5. Threatened species management; and
6. Cultural heritage values.

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

Sustainability

The MHARMB’s Environmental Management Plan (EMP) 2015, aims to reduce the impact of activities and operations on the sensitive alpine environment within, and surrounding, the Hotham Village.

Emphasis is placed on wastewater discharge, water consumption, waste minimisation and reducing greenhouse

gas emissions, by reducing MHARMB’s reliance on fossil fuels and “dirty” electrical supply. The table below lists the achievements against targets of the EMP. This is the first of three years of annual reporting against the current EMP which will be reviewed in 2018. While most targets are on track to be met, the review demonstrates the two areas that will require additional resources within the

next two years - waste levels and carbon neutrality for MHARMB activities.

Year	Electricity (kWh)	Diesel fuels (litres)	Unleaded fuel (litres)	Greenhouse Gas Emissions (tonnes)	LPGas (GJ)
2015-16				2300	
2014-15	1,130,922	170,727	14,529	2,262	3,814
2013-14	957,778	165,268	21,174	1,993	3,153
2012-13	941,476	143,448	16,791	1,910	3,255

*Data incomplete at time of print.

Threatened Species and Biodiversity Conservation

The Victorian Alps is of special ecological value due to the restricted geographical occurrence of alpine areas in Australia, and the high biodiversity values found in these areas. Alpine ecosystems are considered at high risk, due to the impacts of climate change, and contain many endemic species that are listed as threatened or rare and protected by the *Flora and Fauna Guarantee Act 1988* and *Commonwealth Environment Protection and Biodiversity Conservation Act 1999*. The Resort and village area contain known habitat for a number of listed fauna species including the Mountain Pygmy Possum, Alpine Tree Frog and Alpine She-Oak Skink. MHARMB works to preserve threatened species and biodiversity values, through funding annual monitoring programs and environmental programs to target invasive weeds and predators. Much of this work is done in collaboration with other government agencies including Parks Victoria, DELWP, Hume Biodiversity, North East and East Gippsland Catchment Management Authorities and the Arthur Rylah Institute.

During 2016, the Board commissioned Biosis to assist in the development of a Threatened Fauna Species Management Plan, with the aim to identify resort specific actions that will mitigate impacts of resort operations on threatened species. The development of this plan requires input and ongoing collaboration with other stakeholders, particularly DELWP, research organisations and wildlife biologists. A workshop was held in Melbourne in August 2016 to inform the direction of the plan. A draft has been developed and comments are being sort, before a final draft is expect by April 2017.

Annual survey monitoring has historically been conducted by wildlife biologist Dean Heinze for Mountain Pygmy Possums within the Resort, as part of a wider program supported by multiple land management agencies across Victoria. Survey work was undertaken at Mount Hotham in November 2015 and again in November 2016. During the 2015-16 reporting period, MHARMB received state government funding of \$15,000 to undertake works to design and gain approvals for a second "Tunnel of Love" under the Great Alpine Road, which will reconnect fragmented habitat at Little Higginbotham within the Resort. Based on the design, a detailed budget and project plan was submitted to DEWLP. The \$300,000 of funding which MHARMB are seeking, will enable construction of the proposed rock corridor tunnel and commit to monitoring and evaluation of the project as proposed by wildlife specialists.

In December 2015, MHARMB committed to funding to the Arthur Rylah Institute for annual survey monitoring of Alpine She-Oak Skinks and Alpine Tree Frogs within the Resort. This work sort to reinstate a portion of a wider program for the Alpine She-Oak Skink, conducted between 2005-2012, which was previously funded by the Federal Government. In addition, the state government committed to the "Fighting Extinction Fund" for lesser known threatened species during 2016. The Alpine She-Oak Skink is one species within this project, and MHARMB will benefit a greater understanding of the ecology, distribution and genetic resilience of this little understood species, as a flow on from the additional work proposed.

Environmental Programs

MHARMB continues its commitment to revegetation works and weed control program, as well as coordination of a predator control program. The work during the 2015/16 reporting period, focused on revegetation of the Swindlers Valley post construction of the new pipeline and inlet. Over 35,500 indigenous grasses, forbs and shrubs were planted along the 500 metre works footprint. A watering system was established to reduce the requirement for hand watering, during the drier summer period, to ensure establishment of the new plants. Staff also trialed "direct seeding" of Poa seed into a 20 square metre area near Snake Gully Hut. The area will be monitored for results. The environmental staff were greatly appreciative to receive the assistance of the Green Army for several days planting and mulching the valley floor. Seven young people were engaged in

the work proving to be a valuable resource. Unfortunately, due to the scale of the works within Swindlers Valley, only limited weed control was achieved during the summer. However, there was two days' worth of resources in conducting willow removal at Golden Point, with approximately 150 willows which were removed within a small area surrounding Spargos Hut. The ongoing predator control program saw the use of remote sensing camera to monitor movement of predators on tracks and trails across the Resort. Results of the monitoring inform control works. From the Resort, 16 cats and 2 foxes were removed, during the reporting period.

Victorian Alps Nursery

The Victorian Alps Nursery propagates a large variety of alpine and sub-alpine species for rehabilitation and restoration projects at all major Victorian ski resorts, Mount Buffalo, Kosciuszko National Park and NSW National Parks.

The nursery also continues to supply plants to other alpine resorts and ski lift companies at Mount Buller, Falls Creek and Perisher. Specialising in the production and propagation of alpine flora makes the nursery unique in Australia. Staff at the nursery can provide assistance to clients, to obtain information on species and advise on rehabilitation projects.

Highlights for the year include propagation and planting of 37,000 plants, with 35,000 of these having been planted by our environment crew at the new Swindlers inlet structure and the Swindlers Valley floor, as the first stage of a two-year project. The additional 2,000 plants went into village

beautification works, and establishing the gardens around the Mount Hotham village entrance signage.

Plants have also been provided to establish alpine gardens at Porepunkah Primary School, Harrietville Primary School and Falls Creek kindergarten and day care centre. There were 850 alpine bog plants propagated for the rehabilitation of bogs adjacent to the Falls Creek Primary School. Planting was completed by the children, with supervision from the Falls Creek environment officer and teachers. Funding was provided through the government 'Communities For Nature' grant.

There continues to be a steady increase with the amount of orders for plants indigenous to Ovens and Kiewa Valleys. This year, the nursery supplied various community groups, with some new groups added to the client list; Myrtleford Landcare and Sustainability Group, Green Army Team - Mount Beauty, Alpine Shire-Myrtleford projects, Upper Ovens Valley Landcare, Friends of Reform Hill (Myrtleford) and the Ovens Landcare Network. Planting was undertaken in revegetation sites along the Ovens River in Harrietville, Bright, Myrtleford and Simmons Creek in Mount Beauty. The nursery saw an increase in sales at Falls Creek due to a market stall at Falls Creek village held on their Easter family day. The aim of the market was to promote the nursery to stakeholders in the village.

Our Corporate Governance Information and Communication Systems

Effective information systems are vital in operating a modern and efficient Resort. Our Information Technology function are:

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

System Downtime

All MHARMB systems operated with sufficient back-ups, maintenance and service routines to enable a 100 per cent operating capability throughout the year.

There was one major outage, outside the control of MHARMB, which was due to a fibre optic cable being damaged off

the mountain's service provider, causing disruption to telecommunication services.

On this occasion, the MHARMB activated its business continuity plan and contingency strategies which restored essential communications and emergency channels.

Satellite phones were supplied to local emergency services.

Total expenditure for information technology consisted of \$41,258 operational expenditure and \$102,491 Capital expenditure.

Emergency Management

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

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

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

Municipal Fire Management Plan

Mount Hotham Municipal Fire Management Planning Committee (MFMP) was formally established in 2011. The Committee is a subcommittee of the Emergency Management Planning Committee and the

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

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

Our Corporate Governance

Community Areas

Access and Diversity Indigenous Affairs

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

Cultural Diversity

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

Disabled Visitors

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

Women

Our executive management team has a gender balance of 50 per cent female and 50 per cent male. We are committed to providing equal opportunity advancement for all employees and have adopted a recruitment structure on a merit-based selection process. We are also committed to facilitate balance between work and family responsibilities for all employees. This is consistent with the government's Office of Women's Policy.

Youth

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

Record Management

MHRMB is committed to cataloguing and filing records according to the *Public Records Act 1973*.

Risk Management

Risk Management Policy

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

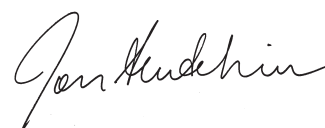
Risk Management Review

I Nicole Feeney certify that the Mount Hotham Alpine Resort Management Board (MHARMB) has complied with the Ministerial Standing Direction 4.5.5 - Risk Management Framework and Processes except for compliance section 3.1.2 of the Victorian Government Risk Management Framework that requires MHARMB to arrange all its insurance with the Victorian Managed Insurance Authority (VMIA) unless exempted by the responsible Minister or where VMIA cannot offer insurance for a specific risk. MHARMB does not currently hold its motor vehicle insurance with VMIA and is working closely with VMIA to resolve this matter.



Nicole Feeney
Chairperson
Mount Hotham Alpine Resort
Management Board

I, Jon Hutchins certify that the Mount Hotham Resort Management Board has partially complied with Ministerial Direction 4.5.5.1—Insurance.



Jon Hutchins
Chief Executive Officer
Mount Hotham Alpine Resort
Management Board

Statutory Reporting

Corporate Plan

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

The Corporate Plan must include:

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

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

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

Obligations of the Board

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

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

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

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; and

5. May do and suffer all acts and things that a body corporate may by law do or suffer.

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

Section 38 of the *Alpine Resorts (Management) Act 1997* specifies the functions of the Board.

- To plan for the development, promotion, management and use, of each such alpine resort in accordance with the object of the Act,
- To develop and promote or facilitate the development or promotion by others of the use of each such alpine resort in accordance with the object of the Act,
- To manage each such alpine resort in accordance with the object of the Act;
- To contribute to the development of the Alpine Resorts Strategic Plan and other strategic planning for alpine resorts as a whole;
- To undertake research into alpine resort issues;
- To contribute to and support the operation of the Council;
- To prepare and implement a Strategic Management Plan for the Resort;
- To expend or apply revenue of the Board in accordance with a direction of the Minister under section 36(1A);
- To manage the Crown Land in Mount Hotham by acting as a Committee of Management under the *Crown Land (Reserves) Act 1978*;
- To contribute, together with Tourism Victoria, established under the *Tourism Victoria Act 1992*, and the Council, to the overall promotion of alpine Resorts;
- To develop a tourism and marketing strategy and to promote the resort;
- To provide services in the nature of: garbage disposal, water supply, gas, drainage, sewerage, electricity, roads, fire protection, snowmaking, transport for the resort and to charge user pays

contributions for the provision of those services;

- To collect fees prescribed by the regulations for the Resort;
- To attract investment for the improvement of the Resort; and
- To carry out any other function conferred on the Board by this or any other Act.

Fair Trading Act

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

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

In compliance with the *Fair Trading (Recreational Services) Regulations 2004*, MHARMB has installed warning signs at both resort entry gates to alert visitors to the fact that they are being asked to agree to waive their rights under the *Fair Trading Act 1999*.

Privacy Act 1988 (Commonwealth)

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

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

National Competition Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a

result of government ownership, should be neutralised. MHARMB continues to implement and apply this principle in its business undertakings.

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

Victorian Industry Participation Policy (VIPP)

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

The *Victorian Industry Participation Policy Act 2003 (VIPP Act)* was introduced in October 2003. Under the Act, MHARMB implements policies to tenders over \$1 million as required for Regional Victoria. The Minister for Manufacturing Exports and Trade is responsible for introducing the strengthened VIPP, which took effect from 1 July 2009. There was one contract that commenced in 2013/14 that met the regional threshold of over \$1 million. A VIPP Plan was not required due to nil to limited contestability. The local content is 90 per cent.

Freedom of Information

MHARMB 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. An application fee of \$26.50 applies at the time of publication. There were no FOI requests in the reporting period. MHARMB has determined that the Authorised Officer for the Resort is the General Manager.

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

Relevant information

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

FRD 22E Statement of Availability of other information:

- Statement declaring pecuniary interests completed by all relevant officers;
- Details of publications produced and where available;
- Details of changes in prices, fees, charges, rates and levies;
- Details of any major external reviews;
- Details of major research and development activities;
- Details of overseas visits;
- Details of major promotional, public relations and marketing activities;
- Details of assessments and measures undertaken to improve occupational health and safety of employees;
- General statement on industrial relations and details of time lost through industrial accidents and disputes; and
- Major committees sponsored, purposes of committees and achievements.

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

Mount Hotham Alpine Resort Management Board (MHRMB) is subject to the *Protected Disclosure Act*, which enables people to make disclosures about improper conduct within the public sector without fear of reprisal. It aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

The *Protected Disclosure Act 2012 (Act)* was part of a package of integrity reforms introduced by the Victorian Government, which also established the Independent Broad-based Anti-corruption Commission (IBAC).

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

How to make a 'protected disclosure'

MHARMB is committed to the aims and objectives of the Act and values integrity and accountability in its administrative and management practices. We fully support the processes of disclosure that reveal corrupt conduct, mismanagement of public resources or conduct involving a substantial risk to public health and safety, or the environment.

You can make a protected disclosure about MHARMB, its Board members, officers or employees by contacting the MHARMB Protected Disclosure Coordinator, DELWP or IBAC on the contact details provided below.

Protected disclosure contacts

Mount Hotham Alpine Resort Management Board (MHARMB)

Jenny Molloy
General Manager
PO Box 188, Bright 3741
Ph: 03 5759 3550
Fax: 03 5759 3693
Email: jennymolloy@mthotham.com.au

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

Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3001
GPO Box 24234, Melbourne Victoria 3000
www.ibac.vic.gov.au
Ph: 1300 735 135

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

Disclosures under the Protected Disclosure Act 2012

In 2014/15 no disclosures were received.

DataVic 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.

INDEPENDENT AUDITOR'S REPORT

To the Board of the Mount Hotham Alpine Resort Management Board

Opinion

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

- balance sheet as at 31 December 2016
- comprehensive operating statement for the period then ended
- statement of changes in equity for the period then ended
- cash flow statement for the period then ended
- notes comprising a summary of significant accounting policies
- Accountable Officers' and Chief Financial and Accounting Officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 31 December 2016 and their financial performance and cash flows for the period then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for opinion

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

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

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

Board's responsibilities for the financial report

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

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

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
27 February 2017



Anna Higgs
as delegate for the Auditor-General of Victoria

MOUNT HOTHAM
ALPINE RESORT MANAGEMENT BOARD
 COMPREHENSIVE OPERATING STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Continuing operations			
Income from transactions			
Government Contributions	2	151,983	74,239
Site rental		1,442,936	1,307,329
Service charges		5,180,732	4,343,392
Transport Contribution		139,542	133,154
Gas trading operations		1,076,135	1,107,706
Gate entry		2,816,228	2,731,048
Horticultural supplies		174,320	111,999
Interest		108,718	185,435
Other Revenue	2	672,229	723,960
Total income from transactions		11,762,824	10,718,262
Expenses from transactions			
Infrastructure services		2,462,078	2,259,531
Village operations		1,640,757	1,727,767
Visitor services		1,090,956	974,595
Administration & Corporate Services		3,809,875	3,199,954
Marketing		618,153	484,826
Board costs		154,442	146,907
Depreciation		1,684,253	1,372,785
Interest Expense		114,812	104,733
Total expenses from transactions	3	11,575,327	10,271,099
Net result from transactions (net operating balance)		187,498	447,164
Other economic flows included in net result			
Net gain/(loss) on non financial assets		-	68,764
Net gain/(loss) arising from revaluation of long service liability		(45,384)	(19,382)
Total other economic flows included in net result		(45,384)	49,382
Net result from continuing operations		142,113	496,546
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation deficit		(6,042,866)	-
Total other economic flows - other comprehensive income		(5,900,753)	496,546
Comprehensive result		(5,900,753)	496,546

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

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

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

	Note	2016 \$	2015 \$
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4,19	927,816	2,038,019
Receivables	5,19	1,068,780	697,913
Other Financial Assets	6,19	3,000,000	4,300,000
Total Financial Assets		4,996,596	7,035,931
Non Financial Assets			
Inventories	7	147,353	95,241
Prepayments (Current)		167,284	238,993
Property, Plant & Equipment	8	77,512,410	81,295,639
Total Non Financial Assets		77,827,048	81,629,872
TOTAL ASSETS		82,823,643	88,665,803
LIABILITIES			
Payables	9,19	1,084,678	922,593
Borrowings	10,19	1,430,973	1,544,880
Provisions	11	830,939	820,525
TOTAL LIABILITIES		3,346,590	3,287,997
NET ASSETS		79,477,053	85,377,806
EQUITY			
Accumulated surplus/(deficit)		8,887,398	8,745,284
Physical Asset Revaluation Surplus		30,742,328	36,785,194
Contributions by Owner		39,847,328	39,847,328
NET WORTH		79,477,053	85,377,806
Capital and forward Commitments	13		0
Contingent assets and contingent liabilities	14		

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

MOUNT HOTHAM
ALPINE RESORT MANAGEMENT BOARD
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

	Physical Asset Revaluation Surplus	Accumulated Surplus	Contributions by Owner	Total
Balance at 1 November 2014	36,785,194	8,248,739	39,847,328	84,881,261
Contributions or Transfers by Owners				
Net result for the year	-	496,546	-	496,546
Balance at 31 OCTOBER 2015	36,785,194	8,745,285	39,847,328	85,377,806
Contributions or Transfers by Owners	-	-	-	-
Net result for the year	-	142,113	-	142,113
Other comprehensive income for the year	20 (6,042,867)	-	-	(6,042,867)
Balance at 31 DECEMBER 2016	30,742,327	8,887,398	39,847,328	79,477,053

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

MOUNT HOTHAM
ALPINE RESORT MANAGEMENT BOARD
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from Government		151,983	74,239
Receipts from customers and other entities		11,131,255	10,662,857
Payments to suppliers and employees		(9,699,986)	(8,970,172)
Net GST received/(paid)		70,436	34,802
Interest received		108,718	185,435
Interest paid		(114,812)	(104,733)
Net Cash (used in)/provided by Operating Activities	12	1,647,595	1,882,428
Cash Flows from Investing Activities			
Cash transferred out of Term Deposits		2,300,000	-
Cash transferred into Term Deposits		(1,000,000)	(1,000,000)
Payments for non-financial assets		(3,943,891)	(5,191,637)
Proceeds from sale of non-financial assets		-	75,017
Net Cash (used in)/provided by Investing Activities		(2,643,891)	(6,116,621)
Cash Flows from Financing Activities			
Proceeds from Capital contributions		-	-
Repayment of Borrowings from Treasury Corporation Victoria		(113,907)	(84,671)
Net Cash (used in)/provided by Financing Activities		(113,907)	(84,671)
Net Increase/(Decrease) in Cash Held		(1,110,204)	(4,318,865)
Cash at the beginning of the Financial Year		2,038,019	6,356,883
Cash and cash equivalents at the end of the Financial Year	4	927,816	2,038,019

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Mount Hotham Alpine Resort Management Board (RMB) is constituted under the *Alpine Resorts (Management) Act 1997* and has its principal place of business located at Mount Hotham, Victoria, Australia.

These annual financial statements represent the audited general purpose financial statements for the Mount Hotham Alpine Resort Management Board for the period ending 31 December 2016. The purpose of the report is to provide users with information about the RMB's stewardship of resources entrusted to it.

The reporting period covered in the financial statements is 1 November 2015 to 31 December 2016. There has been a ministerial directive from the Minister for Finance & Multicultural Affairs, Robin Scott MP, to change the financial year from 31 October 2016 close to 31 December 2016. Therefore, the current reporting year is now 14 months against a 12 month comparative. It should also be noted that next year's reporting will be a 14 month comparative to a 12 month financial year.

a) Statement of compliance

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

Where applicable, 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.

These annual financial statements were authorised for issue by the Chairman of the Mount Hotham Alpine Resort Management Board on 17th February 2017.

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

Under the AASs, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements.

b) Basis of accounting preparation and measurement

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

Judgements, estimates and assumptions are required to be made about the carrying value of assets and liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

b) Basis of accounting preparation and measurement cont.

- The fair value of land, buildings, infrastructure, plant and equipment (Refer Note 1(i))
- Actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (Refer Note 1(j)); and
- The value of infringement revenues in particular the amounts likely to be collected in future periods and the amounts to be provided for under the bad debt provision (Refer Note 1(h)).

These financial statements are presented in Australian dollars and prepared in accordance with the historical cost convention except for:

- Non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

As explained earlier, the accounting policies set out below have been applied in preparing the financial statements for the 14 month period ended 31 December 2016 and the comparative information presented for the 12 month period ended 31 October 2015.

AASB 13 Fair Value Measurement

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

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

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

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

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

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

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

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

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

c) Reporting entity

The financial statements cover the Mount Hotham Alpine Resort Management Board (RMB) as an individual reporting entity.

The RMB is an entity established under the *Alpine Resorts (Management) Act 1997*.

Its principal address is:

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

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

A description of the nature of the RMB's operations and its principal activities is included in the nature and scope of activities on page 16, which does not form part of these financial statements.

d) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

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

'Other economic flows' are changes arising from market remeasurements. They include:

- Gains and losses from disposals of non-financial assets
- Revaluation of Long Service Leave liability; and
- Revaluations and impairments of non-financial physical and intangible assets.

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

Balance sheet

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

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

Cash flow statement

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

Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts

d) Scope and presentation of financial statements cont.

recognised in the 'comprehensive result' and amounts related to 'transaction with owners in the capacity as owners'.

Rounding of amounts

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

e) Income from transactions

Income is recognised in accordance with AASB 118 *Revenue*. Income is recognised as revenue to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Grants

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

Contributions

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

Rendering of Services

Site rental is recognised under the terms and conditions of each lease and in accordance with the RMB's role as a Committee of Management of any Crown Land deemed to be permanently reserved under the *Crown Lands Reserve Act 1978*.

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*.

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

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

Interest revenue is recognised using the effective interest method which allocates the interest over the relevant period.

Revenue from the sale of rights to lease and develop Crown Land is recognised upon granting the right to commence works from the RMB, or on the execution of a contract of sale, following approval by the Minister of Environment, Climate Change and Water, whichever occurs first.

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

f) Expenses from transactions

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate. The expenses from transactions are presented by way of function on the face of the Comprehensive Operating Statement, which relate to the core services provided by the Board.

Employee Expenses

These expenses include all forms of considerations related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Refer to Note 1(j) regarding employee benefits.

Superannuation

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

The RMB does not recognise any defined benefit liability in respect of the plan 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.

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding assets held for sale and land) that have finite useful lives are depreciated. Depreciation is always calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

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

Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

Interest Expense

Interest expenses are recognised as expenses in the period in which they are incurred.

f) Expenses from transactions cont.*Other costs*

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include supplies and services costs which are recognised as an expense in the reporting period in which they are incurred.

Bad and doubtful debts

Refer to Note 1(h) for further description of Bad and doubtful debts.

(g) Other economic flows included in the net result

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

Net gain/(loss) on non-financial assets

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

Revaluation gains/(losses) of non-financial physical assets

Refer to Note 1(i) Revaluations of non-financial physical assets.

Net gain/(loss) on disposal of non-financial assets

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

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

Refer to Note 1(j) Long Service Leave.

Impairment of non-financial assets

All assets are assessed annually for indications of impairment, except for:

- Financial assets
- Inventories
- Non-financial physical assets held for sale

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

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

h) Financial assets

Cash and cash equivalents

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

Receivables

Receivables consist of;

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

Debtors are carried at amounts due. Where necessary, interest is charged on overdue debts in accordance with the *Penalty Interest Rates Act 1983* or in accordance with relevant legislation and/or lease terms.

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

Bad and Doubtful Debts

Receivables are subject to impairment testing as described below.

At the end of each reporting period, the 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.

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

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

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

A provision is made for any doubtful debts, based on a review of all outstanding receivables at balance date. Bad debts are written off in the period in which they are identified. The RMB considered that a \$170,883 provision was necessary for bad or doubtful debts as at 31 December 2016 (2015: \$88,919).

Other Financial Assets

Other Financial Assets are classified as Term Deposits.

Any interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

i) Non-financial assets

Inventories

Inventories comprise goods for resale and goods for use. 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.

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

Goods for use - comprise goods procured or stored for use in operations and include diesel and unleaded fuel.

Property, Plant and Equipment

Acquisition

Property, plant and equipment includes land, buildings, roads and car parks, community and village infrastructure, water, sewerage, gas, plant, equipment, furniture and motor vehicles. Items with a cost or value in excess of \$1,000 and a useful life to the 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.

Valuation of Property, Plant and equipment

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

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

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

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.

i) Non-financial assets cont.

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.

Valuation of Land

The RMB undertook a revaluation of its land assets for 31 December 2016 using the 'fair value' methodology. The revaluation was performed by the Valuer-General Victoria. Under fair value the RMB's interest in the Crown's leasehold land is measured based on a direct market comparison approach, whereby the subject properties are compared to recent land sales. Broad area land values have been applied to the other values areas of the RMB's controlled area based on comparable sales evidence methodology. The addition of these represents the fair value of the land assets under the RMB's control. As per financial note 8.2, RMB land has been classified as per the 'Fair Value Hierarchy' levels to account for the effects of the Community Services Obligation (CSO). The figures do not include any improvement values.

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.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1 (g).

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 8.2 *Property, Plant and Equipment*.

In the RMB's view, asset values do not exceed their recoverable amount from their continued use and their subsequent disposal and as such, no adjustment to these values was made in the reporting period.

Investment Property

Investment properties represent properties held to earn rentals. 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.

Other non-financial assets

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.

j) Liabilities

Payables

Payables consist of:

- Contractual payables, such as accounts payable and unearned income including deferred income from concession arrangements. 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
- Statutory payables, such as goods and services tax and fringe benefits tax payables. Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (Refer Note 1 (k)). Statutory payables are recognised and

measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Borrowings

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

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

Provisions

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

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

Employee Benefits

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.

(i) Wages and salaries, annual leave and time in lieu leave

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

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

- Nominal value – if the RMB expects to wholly settle within 12 months: or
- Present value – if the RMB does not expect to wholly settle within 12 months.

j) Liabilities cont.

(ii) Long service leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the 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:

- Nominal 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'.

(iii) Termination benefits

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

(iv) Employee benefits on-costs

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

k) Financial instruments

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

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

The following refers to financial instruments unless otherwise stated.

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and

k) Financial instruments cont.

receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits, term deposits with maturity greater than three months, trade receivables, and other receivables, but not statutory receivables.

Held-to-maturity financial assets

If the RMB has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The RMB makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held-to-maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The RMB would also be prevented from classifying investment securities as held-to-maturity for the current and the following two financial years.

l) Goods and Services Tax

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

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

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

Commitments and contingent assets and liabilities are also stated inclusive of GST (refer to Note 1 (o) and Note 1 (p)).

m) Contributed Capital

Contributions to the RMB are recognised as contributed capital with the approval of the Minister for Finance and when the transfer satisfies the definition of contribution by owners as per FRD119A Transfers through Contributed Capital. Contributed capital is disclosed in the Statement of Changes in Equity.

n) Leases

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

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

There are no finance leases.

There are no operating leases.

n) Leases cont.

RMB as lessor

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

o) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of note (refer to Note 13 *Capital and forward Commitments*) 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.

p) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 14 *Contingent Assets and Liabilities*) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

q) Comparatives

Where necessary, comparative amounts have been reclassified to comply with presentation in the current year.

There have been four occurrences where it was necessary to reclassify the comparative amounts from prior year audited financial report.

1. Fringe Benefits Tax in Note 3 Expenses was previously reported in Other Costs Including: other, this has now been moved to Employee Benefits Expenses: Salaries, wages and other on costs as per Note 1 (f).
2. Receivables and Other Receivables in Note 19, Table 19.2 have been reclassified to reflect their correct maturity dates.
3. Statutory Receivable in Note 5 Receivables has now been reclassified as it was previously included in Trade Debtors.
4. Cash invested in Term Deposits in the Cash Flow Statement was previously reported as a single line item, this has now been reclassified to show the transferred in and out amounts.

r) AASs issued that are not yet effective

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

As at 31 December 2016, the following standards and interpretations had been issued but were not mandatory for the financial year ending 31 December 2016. The RMB has not early adopted these standards.

r) AASs issued that are not yet effective cont.

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> • The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and • Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI).
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 14 <i>Regulatory Deferral Accounts</i> ²	AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP.	1 Jan 2016	The assessment has indicated that there is no expected impact, as those that conduct rate-regulated activities have already adopted Australian Accounting Standards.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p>
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	<p>This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	<p>The Board currently do not have any leases as lessee.</p> <p>The Board is the lessor for Alpine Head Leases. These have been assessed and may require further details and disclosures in the notes to the financial reports.</p> <p>The key risk is related to revaluations.</p>

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i> [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: <ul style="list-style-type: none"> • establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; • prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2015-1 <i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i> [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]	Amends the methods of disposal in AASB 5 Non-current assets held for sale and discontinued operations. Amends AASB 7 <i>Financial Instruments</i> by including further guidance on servicing contracts.	1 Jan 2016	The assessment has indicated that when an asset (or disposal group) is reclassified from 'held to sale' to 'held for distribution', or vice versa, the asset does not have to be reinstated in the financial statements. Entities will be required to disclose all types of continuing involvement the entity still has when transferring a financial asset to a third party under conditions which allow it to derecognise the asset.
AASB 2015-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i> [AASB 10, AASB 124 & AASB 1049]	<ul style="list-style-type: none"> • The Amendments extend the scope of <i>AASB 124 Related Party Disclosures</i> to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities. 	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The standard amends AASB 136 <i>Impairment of Assets</i> to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136.

s) AASs issued that are not yet effective cont.

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 2015-16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2014-1 *Amendments to Australian Accounting Standards [PART D – Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts only]* ²
- AASB 2014-6 *Amendments to Australian Accounting Standards – Agriculture: Bearer Plants* [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-9 *Amendments to Australian Accounting Standards – Scope and Application Paragraphs* [AASB 8, AASB 133 & AASB 1057]
- AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

NOTE 2 Income from transactions

	2016 \$	2015 \$
Revenue		
Government grants		
Sustainability Victoria	33,182	5,000
Government tax rebates	53,827	33,948
Murray PHN after hours funding	60,600	-
Alpine Shire Council contribution to Hotham Dinner Plain Trail	4,374	35,291
	151,983	74,239
Rendering of Services		
Site rental	1,442,936	1,307,329
Service charges	5,180,732	4,343,392
Transport Contribution	139,542	133,154
Gas trading operations	1,076,135	1,107,706
Gate entry	2,816,228	2,731,048
Horticultural supplies	174,320	111,999
	10,829,893	9,734,628
Interest	108,718	185,435
Other Revenue		
Infringement Revenue	368,657	240,870
Service Charges - Infrastructure fee	41,181	134,191
Marketing Revenue	66,094	175,090
Other Income	196,297	173,808
	672,229	723,960
Total income from transactions	11,762,824	10,718,262

NOTE 3 Expenses

Included in Expenses are :

Depreciation charge for the period :

Buildings	317,792	221,804
Infrastructure	1,034,867	811,022
Plant, equipment and motor vehicles	331,595	339,960
	1,684,253	1,372,785

Employee Benefits Expense

Salaries, wages and other on costs	3,800,924	3,506,576
Superannuation	340,845	303,053
	4,141,769	3,809,630

Audit Fees

Audit of Financial Statements -Victorian Auditor-General's Office	30,750	30,000
Internal Auditor	15,443	13,749
	46,193	43,749

Other costs including

Maintenance	778,918	589,508
Energy	527,630	554,347
Cost of Goods Sold - Gas operations	469,115	505,566
Cost of Goods Sold - Horticultural operations	41,563	16,626
Marketing	149,968	93,761
Consultants and Contractors	846,184	807,256
Communications	89,928	66,861
Accommodation - Staff	175,590	137,604
Support Payments (Alpine Resorts Co-ordinating Council)	465,839	398,398
Insurance	356,591	315,713
Interest	114,812	104,733
Legal	163,718	89,385
Licenses, monitoring and testing	132,094	132,651
Training related costs	207,581	205,479
Equipment and safety related costs	189,580	184,606
Consumables	115,816	81,373
Bad and doubtful debts	82,125	63,151
Other	796,059	697,919
	5,703,111	5,044,935

Total expenses from transactions

	11,575,327	10,271,099
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NOTE 4 Cash and Cash Equivalents

Current	Cash at bank	2016	2015
		\$	\$

19		927,816	2,038,019
		927,816	2,038,019

NOTE 5 Receivables

Current	Trade debtors	2016	2015
		\$	\$

19	Statutory receivable	811,667	496,018
	Infringement debtors	34,541	1,578
	Less provision for doubtful debts	369,891	241,924
	Other receivables	(170,883)	(88,919)
		23,564	47,312
		1,068,780	697,913

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 2016 the Penalty Interest Rate was 9.5% (2015 9.5%). The carrying value of debtors approximates fair value.

Ageing analysis of contractual receivables

Please refer to Table 19.2 in Note 19 for the ageing analysis of contractual receivables.

Movement in doubtful debts

Balance at the beginning of the year	(88,919)	(72,398)
New provisions recognised	(82,125)	(62,923)
Amounts written off as uncollectible	161	46,402
Balance at the end of the year	(170,883)	(88,919)

All debtors have been reviewed by management at period end and a provision for doubtful debts has been raised to reflect collectability of infringement debtors of \$170,883 (2015 \$88,919).

NOTE 6 Other Financial Assets

Current	Term Deposits	2016	2015
		\$	\$

19		3,000,000	1,000,000
		3,000,000	1,000,000

Non-Current	Term Deposits	2016	2015
		\$	\$

19		-	3,300,000
		-	3,300,000

Total Other Financial Assets	2016	2015
	\$	\$

19		3,000,000	4,300,000
		3,000,000	4,300,000

NOTE 7 Inventories

Current	Supplies and consumables:	2016	2015
		\$	\$

19	Fuel	33,532	19,327
	Inventory	15,008	15,008
		48,540	34,335

Inventories held for sale:	2016	2015
	\$	\$

19	Gas	51,989	11,188
	Horticultural Plants	46,825	49,718
		98,814	60,906

Total inventories	2016	2015
	\$	\$

19		147,353	95,241
		147,353	95,241

Financials

		2016 \$	2015 \$
NOTE 8 Property, Plant & Equipment			
Land	At Fair Value	30,821,000	41,815,000
		30,821,000	41,815,000
Land held for resale	Right to lease and develop land parcel at Fair Value	42,208	42,208
		42,208	42,208
Buildings	At Fair Value	7,216,786	6,835,466
	Less accumulated depreciation	(1,026)	(880,655)
		7,215,760	5,954,811
Village and Community Infrastructure	At Fair Value	4,569,225	4,281,308
	Less accumulated depreciation	(247,098)	(418,111)
		4,322,126	3,863,197
Roads and carparks	At Fair Value	7,242,808	11,341,076
	Less accumulated depreciation	(3,487)	(710,381)
		7,239,321	10,630,695
Water	At Fair Value	15,349,219	11,003,180
	Less accumulated depreciation	(2,478)	(875,328)
		15,346,742	10,127,851
Sewerage	At Fair Value	8,621,033	6,882,284
	Less accumulated depreciation	(10,855)	(958,842)
		8,610,177	5,923,442
Gas	At Fair Value	2,156,800	1,165,815
	Less accumulated depreciation	(354)	(200,054)
		2,156,446	965,762
Plant, Equipment and Motor Vehicles	At Fair Value	4,110,553	3,852,181
	Less accumulated depreciation	(2,772,429)	(2,447,064)
		1,338,124	1,405,117
Capital Works in Progress at cost		420,506	567,556
Total		77,512,410	81,295,639

Note 8.1 Property, Plant and Equipment

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

	Carrying amount at start of year \$	Additions \$	Disposals at Cost \$	Disposals Accumulated Depreciation \$	Revaluation Movement	Acc. Depreciation Adjustment	Transfers \$	Depreciation Expense \$	Carrying amount at end of year \$
2016									
Land	41,815,000	-	-	-	(10,994,000)	-	-	-	30,821,000
Land held for sale	42,208	-	-	-	-	-	-	-	42,208
Buildings	5,954,811	-	-	-	6,243,613	(5,011,430)	346,557	(317,792)	7,215,760
Village and Community Infrastructure	3,863,197	-	-	-	563,316	(388,487)	446,080	(161,978)	4,322,127
Roads and carparks	10,630,695	-	-	-	(1,970,087)	(1,332,216)	102,083	(191,153)	7,239,322
Water	10,127,851	-	-	-	(811,089)	4,461,448	1,898,610	(330,079)	15,346,741
Sewerage	5,923,442	-	-	-	1,322,850	652,588	998,894	(287,596)	8,610,177
Gas	965,762	-	-	-	866,085	357,675	26,527	(59,603)	2,156,446
Plant , Equipment & Motor Vehicles	1,405,117	272,192	-	-	-	(3,132)	-	(336,053)	1,338,124
Capital Works in Progress	567,556	3,671,699	-	-	-	-	(3,818,750)	-	420,506
	81,295,639	3,943,891	-	-	(4,779,312)	(1,263,555)	0	(1,684,253)	77,512,410

	Carrying amount at start of year \$	Additions \$	Disposals at Cost \$	Disposals Accumulated Depreciation \$	Revaluation Movement	Acc. Depreciation Adjustment	Transfers \$	Depreciation Expense \$	Carrying amount at end of year \$
2015									
Land	41,815,000	-	-	-	-	-	-	-	41,815,000
Land held for sale	42,208	-	-	-	-	-	-	-	42,208
Buildings	6,142,586	-	-	-	-	-	34,030	(221,804)	5,954,811
Village and Community Infrastructure	3,844,107	-	-	-	-	-	148,733	(129,644)	3,863,197
Roads and carparks	9,764,639	-	-	-	-	-	1,042,129	(176,074)	10,630,695
Water	5,116,181	-	-	-	-	-	5,221,319	(209,648)	10,127,851
Sewerage	6,164,151	-	-	-	-	-	-	(240,708)	5,923,442
Gas	1,004,815	-	-	-	-	-	12,074	(51,128)	965,762
Plant , Equipment & Motor Vehicles	1,140,679	614,472	(497,364)	491,111	-	-	-	(343,779)	1,405,117
Capital Works in Progress	2,448,676	4,577,165	-	-	-	-	(6,458,286)	-	567,556
	77,483,040	5,191,637	(497,364)	491,111	-	-	-	(1,372,785)	81,295,639

Note 8.2 Property, Plant and Equipment

Fair value measurement hierarchy for assets as at 31 December 2016

	Carrying amount as at 31 December 2016 \$	Fair value measurement at end of reporting period using:		
		Level 1 (i) \$	Level 2(i) \$	Level 3(i) \$
Land at fair value				
Specialised land	30,863,208	27,888,208	-	2,975,000
Total of Land at fair value	30,863,208	27,888,208	-	2,975,000
Buildings at fair value				
Specialised buildings	7,215,760	-	-	7,215,760
Total of Buildings at fair value	7,215,760	-	-	7,215,760
Village & Community Infrastructure at fair value				
Village & Community Infrastructure at fair value	4,322,126	-	-	4,322,126
Total of Village & Community Infrastructure at fair value	4,322,126	-	-	4,322,126
Roads & carparks at fair value				
Roads & carparks at fair value	7,239,321	-	-	7,239,321
Total of Roads & Carparks at fair value	7,239,321	-	-	7,239,321
Water Assets at fair value				
Headworks	3,150,000	-	-	3,150,000
Distribution works	1,219,815	-	-	1,219,815
Treatment	158,602	-	-	158,602
Water Storage	3,136,543	-	-	3,136,543
Water Reticulation	1,790,226	-	-	1,790,226
Drains	5,891,555	-	-	5,891,555
Total of Water Assets at fair value	15,346,742	-	-	15,346,742
Sewerage Assets at fair value				
WWTP	3,783,587	-	-	3,783,587
Sewer Pump wells	602,030	-	-	602,030
Sewer Reticulation	1,789,471	-	-	1,789,471
Ultra Filtration	2,435,091	-	-	2,435,091
Total of Sewerage Assets at fair value	8,610,177	-	-	8,610,178
Gas Assets at fair value				
Gas Storage	766,773	-	-	766,773
Gas Reticulation	1,348,048	-	-	1,348,048
Customer Supply	41,625	-	-	41,625
Total of Gas Assets at fair value	2,156,446	-	-	2,156,446
Plant, Equipment & Vehicles at fair value				
Vehicles	487,276	-	-	487,276
Plant & equipment	850,848	-	-	850,848
Total of Plant, Equipment & Vehicles at fair value	1,338,124	-	-	1,338,124

Notes:

(i) Classified in accordance with the fair value hierarchy, see note 1 (b)
Assets under construction are excluded from the table above as they are measured at cost.

There have been transfers between levels during the period due to the revaluation of assets during the year.

Note 8.2 Property, Plant and Equipment cont.

Fair value measurement hierarchy for assets as at 31 October 2015

	Carrying amount as at 31 October 2015	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2(i)	Level 3(i)
Land at fair value	\$			
Specialised land	41,857,208	-	-	41,857,208
Total of Land at fair value	41,857,208	-	-	41,857,208
Buildings at fair value	5,954,811	-	-	5,954,811
Specialised buildings	5,954,811	-	-	5,954,811
Total of Buildings at fair value				
Village & Community Infrastructure at fair value	3,863,197	-	-	3,863,197
Village & Community Infrastructure at fair value	3,863,197	-	-	3,863,197
Total of Village & Community Infrastructure at fair value				
Roads & carparks at fair value	10,630,695	-	-	10,630,695
Roads & carparks at fair value	10,630,695	-	-	10,630,695
Total of Roads & Carparks at fair value				
Water Assets at fair value	-	-	-	-
Headworks	937,906	-	-	937,906
Distribution works	112,920	-	-	112,920
Treatment	2,551,799	-	-	2,551,799
Water Storage	897,911	-	-	897,911
Water Reticulation	5,627,315	-	-	5,627,315
Drains	-	-	-	-
Total of Water Assets at fair value	10,127,851			10,127,851
Sewerage Assets at fair value	2,368,134	-	-	2,368,134
WWTP	361,924	-	-	361,924
Sewer Pump wells	867,784	-	-	867,784
Sewer Reticulation	2,325,600	-	-	2,325,600
Ultra Filtration	5,923,442	-	-	5,923,442
Total of Sewerage Assets at fair value				
Gas Assets at fair value	523,959	-	-	523,959
Gas Storage	401,268	-	-	401,268
Gas Reticulation	40,535	-	-	40,535
Customer Supply	965,762	-	-	965,762
Total of Gas Assets at fair value				
Plant, Equipment & Vehicles at fair value	650,543	-	-	650,543
Vehicles	754,574	-	-	754,574
Plant & equipment	1,405,117	-	-	1,405,117
Total of Plant, Equipment & Vehicles at fair value				

Notes:

(i) Classified in accordance with the fair value hierarchy, see note 1 (b)
Assets under construction are excluded from the table above as they are measured at cost.

There have been no transfers between levels during the period.

Financials

Note 8.2 Property, Plant and Equipment cont.

Specialised land and specialised buildings

The market approach is used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued as at 31 December 2016. Prior to this there was no information available regarding the exact amount attributable to Level 1.

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

The Fair Value for the leased sites at the resort is based upon the individual site lease information. It is then assessed by determining a site value for each particular site, and calculating the present value of the income stream (the site rental), combined with the reversion of the site, based on the remaining term of the lease.

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

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

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

All village & community infrastructure, roads & car parks, water, sewerage & gas assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

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

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

Vehicles

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

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 31 December 2016.

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

Note 8.2 Property, Plant and Equipment cont.

Reconciliation of Level 3 fair value										
	Opening balance	Purchases (sales)	Transfers in (out) of Level 3	Gains or losses recognised in net result	Depreciation	Impairment loss	Subtotal	Gains or losses recognised in other economic flows - other comprehensive income	Subtotal	Closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2016										
Specialised land	41,857,208	-	(27,888,208)	-	-	-	13,969,000	(10,994,000)	(10,994,000)	2,975,000
Specialised buildings	5,954,810	346,557	-	-	(317,792)	-	5,983,574	1,232,186	1,232,186	7,215,760
Village and Community Infrastructure	3,863,197	446,080	-	-	(161,978)	-	4,147,298	174,829	174,829	4,322,127
Roads and car parks	10,630,694	102,083	-	-	(191,153)	-	10,541,624	(3,302,302)	(3,302,302)	7,239,322
Headworks	-	-	-	-	-	-	-	3,150,000	3,150,000	3,150,000
Distribution works	937,906	-	-	-	(41,262)	-	896,644	323,170	323,170	1,219,814
Treatment	112,920	-	-	-	(13,737)	-	99,183	59,419	59,419	158,603
Water Storage	2,551,800	-	-	-	(83,216)	-	2,468,584	667,960	667,960	3,136,544
Water Reticulation	897,911	65,925	-	-	(55,977)	-	907,858	882,365	882,365	1,790,224
Drains	5,627,316	1,832,684	-	-	(135,886)	-	7,324,114	(1,432,557)	(1,432,557)	5,891,557
WWTP	2,368,134	20,900	-	-	(91,413)	-	2,297,621	1,485,966	1,485,966	3,783,587
Sewer Pump wells	353,606	61,523	-	-	(17,740)	-	397,389	204,641	204,641	602,029
Sewer Reticulation	876,102	916,471	-	-	(49,359)	-	1,743,213	46,258	46,258	1,789,471
Ultra Filtration	2,325,600	-	-	-	(129,084)	-	2,196,516	238,574	238,574	2,435,090
Gas Storage	523,959	-	-	-	(27,198)	-	496,761	270,015	270,015	766,775
Gas Reticulation	401,267	26,527	-	-	(31,146)	-	396,647	951,398	951,398	1,348,046
Customer Supply	1,405,117	-	-	-	(1,259)	-	39,276	2,349	2,349	41,625
Plant, Equipment & Vehicles	-	272,192	-	-	(336,053)	-	1,341,256	(3,132)	(3,132)	1,338,124

Reconciliation of Level 3 fair value										
	Opening balance	Purchases (sales)	Transfers in (out) of Level 3	Gains or losses recognised in net result	Depreciation	Impairment loss	Subtotal	Gains or losses recognised in other economic flows - other comprehensive income	Subtotal	Closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2015										
Specialised land	41,857,208	-	-	-	-	-	41,857,208	-	-	41,857,208
Specialised buildings	6,142,586	34,030	-	-	(221,804)	-	5,954,810	-	-	5,954,810
Village and Community Infrastructure	3,844,107	148,733	-	-	(129,644)	-	3,863,197	-	-	3,863,197
Roads and car parks	9,764,639	1,042,129	-	-	(176,074)	-	10,630,694	-	-	10,630,694
Headworks	-	-	-	-	-	-	-	-	-	-
Distribution works	973,260	-	-	-	(35,354)	-	937,906	-	-	937,906
Treatment	124,690	-	-	-	(11,770)	-	112,920	-	-	112,920
Water Storage	2,626,600	-	-	-	(74,800)	-	2,551,800	-	-	2,551,800
Water Reticulation	936,227	9,183	-	-	(47,499)	-	897,911	-	-	897,911
Drains	455,404	5,212,136	-	-	(40,225)	-	5,627,316	-	-	5,627,316
WWTP	2,446,301	-	-	-	(78,166)	-	2,368,134	-	-	2,368,134
Sewer Pump wells	369,800	-	-	-	(16,194)	-	353,606	-	-	353,606
Sewer Reticulation	911,850	-	-	-	(35,748)	-	876,102	-	-	876,102
Ultra Filtration	2,436,200	-	-	-	(110,600)	-	2,325,600	-	-	2,325,600
Gas Storage	547,902	-	-	-	(23,943)	-	523,959	-	-	523,959
Gas Reticulation	415,300	12,074	-	-	(26,106)	-	401,267	-	-	401,267
Customer Supply	41,614	-	-	-	(1,079)	-	40,535	-	-	40,535
Plant, Equipment & Vehicles	1,140,679	614,472	-	-	(343,779)	-	1,411,370	(6,253)	(6,253)	1,405,117

Financials

Note 8.3 Investment Properties

Balance at beginning of financial year
Net gain/(loss) from fair value adjustments

2016	2015
\$	\$
70,000	-
<u>70,000</u>	<u>-</u>

Fair value measurement hierarchy for assets as at 31 December 2016

	Carrying amount as at 31 October 2015	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
Investment Property ⁽ⁱ⁾	\$ 70,000	\$ -	\$ -	\$ 70,000

(i) Classified in accordance with the fair value hierarchy, see note 1 (b), recognised value as at 31 December 2016 due to revaluation of buildings

NOTE 9 Payables

Current

Trade creditors
Statutory payable
Accrued expenses
Other payables

199,663	125,187
43,466	300,307
362,181	364,127
479,369	132,971
<u>1,084,678</u>	<u>922,593</u>

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

Ageing analysis of contractual payables

Please refer to Table 19.2 in Note 19 for the ageing analysis of contractual payables

NOTE 10 TCV Borrowings

Current

Fixed interest loan from TCV

98,057	90,378
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Non-Current

Fixed interest loan from TCV

1,332,916	1,454,502
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Total fixed interest loan from TCV

<u>1,430,973</u>	<u>1,544,880</u>
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NOTE 11 Provisions

Current provisions
 Employee Benefits (i) (note 11(a))
 Annual leave
 Unconditional and expected to be settled within 12 months⁽ⁱⁱ⁾
 Unconditional and expected to be settled after 12 months⁽ⁱⁱⁱ⁾
 Long service leave
 Unconditional and expected to be settled within 12 months⁽ⁱⁱ⁾
 Unconditional and expected to be settled after 12 months⁽ⁱⁱⁱ⁾
 Provisions related to employee benefits on-costs
 Unconditional and expected to be settled within 12 months⁽ⁱⁱ⁾
 Unconditional and expected to be settled after 12 months⁽ⁱⁱⁱ⁾

Total current provisions

Non-current

Employee Benefits (i)
 Long Service Leave
 Provisions related to employee benefits on-costs

Total non-current provisions

Total Provisions

11(a) Employee Benefits and related on-costs

Current Employee Benefits

Annual Leave entitlements
 Time off in Lieu entitlements
 Unconditional Long Service Leave Entitlements

Non-current employee benefits

Conditional Long Service Leave entitlements

Total Employee Benefits

Current on-costs
 Non-current on-costs

Total on-costs

Total employee benefits and related on-costs

⁽ⁱ⁾ Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.
⁽ⁱⁱ⁾ The amounts disclosed are nominal amounts.
⁽ⁱⁱⁱ⁾ The amounts disclosed are discounted to present values.

	2016 \$	2015 \$
Current provisions		
Employee Benefits (i) (note 11(a))		
Annual leave		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	201,288	201,331
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	38,819	69,464
Long service leave		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	80,043	95,613
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	341,945	291,255
Provisions related to employee benefits on-costs		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	42,915	45,293
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	60,348	56,971
Total current provisions	765,358	759,927
Non-current		
Employee Benefits (i)		
Long Service Leave	56,582	52,282
Provisions related to employee benefits on-costs	9,000	8,316
Total non-current provisions	65,582	60,598
Total Provisions	830,939	820,525
11(a) Employee Benefits and related on-costs		
Current Employee Benefits		
Annual Leave entitlements	235,459	265,460
Time off in Lieu entitlements	4,648	5,336
Unconditional Long Service Leave Entitlements	421,988	386,868
Non-current employee benefits		
Conditional Long Service Leave entitlements	56,582	52,282
Total Employee Benefits	718,677	709,945
Current on-costs	103,263	102,264
Non-current on-costs	9,000	8,316
Total on-costs	112,263	110,580
Total employee benefits and related on-costs	830,939	820,525

Financials

NOTE 11 Provisions cont.

11(b) Movement in provisions

	\$
Opening balance	820,525
Additional provisions recognised	234,176
Reductions arising from payments/other sacrifices of future economic benefits	(269,146)
Increase resulting from re-measurement or settlement without cost	45,384
Closing balance	830,939
Current	765,358
Non-current	65,582
	830,939

NOTE 12 Reconciliation of net result to net cash flows from operating activities

	2016	2015
	\$	\$
Net Results for the reporting period	142,113	496,546
Depreciation	1,684,253	1,372,785
Sale / Write down of Assets	-	(68,764)
Change in operating assets and liabilities :		
Decrease/(increase) in receivables	(370,867)	204,268
Decrease/(increase) in inventories	(52,113)	59,833
Decrease/(increase) in prepayments	71,708	6,828
Increase/(decrease) in payables	(182,366)	(206,850)
Increase/(decrease) in accrued expenditure	344,452	71,525
Increase/(decrease) in employee entitlements	10,414	(53,745)
Net Cash Inflow from operating activities	1,647,895	1,882,428

NOTE 13 Capital and forward Commitments

The Board has signed agreements for the construction and replacement walking trails and geo-technical work. The forward commitments on these works totals \$115,000

Walking trails and geo-technical works

Not later than one year 50,000
Later than one year but not later than five years 65,000

115,000

Swindlers Valley Pipe Replacement Project

Not later than one year -
Later than one year but not later than five years -

1,157,259

-

1,157,259

Total Capital and forward Commitments

115,000

1,272,259

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

NOTE 14 Contingent Assets and Liabilities

There are no unquantifiable contingent liabilities. (2015-Nil).
There are no contingent assets (2015 Nil).

NOTE 15 Future Site Rent Lease Revenue

Crown Land is recorded in the accounts of the Board at the Valuer-General's valuation. The Board has brought to account the rental revenue in relation to the leased sites and does not account for depreciation since the class of assets is defined as land. The Board, acting as a Committee of Management under Section 38 of the Alpine Resorts (*Management*) Act 1997, manages 87 Crown leases with site holders. The leases cover periods up to 75 years.

Non-cancellable operating lease receivables

Not longer than 1 year 1,207,130
Longer than 1 year and not longer than 5 years 4,999,901
Longer than 5 years 17,028,431

1,288,684

5,339,021

16,793,325

23,235,462

23,421,029

Financials

NOTE 16 Superannuation

Employees of Mt Hotham Resort Management Board are entitled to receive superannuation benefits and Mt Hotham Resort Management 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.

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

Contribution details are shown in the following table:

	Type of Scheme	Rate %	2016 \$	2015 \$
State Superannuation fund New/Revised Scheme	(Defined Benefits)	10.3	24,363	21,839
State Superannuation fund (SERBS)	(Defined Benefits)	10	-	11,377
AUSTSUPER	(Accumulated Benefits)	9.5	43,685	39,830
VICSUPER	(Accumulated Benefits)	9.5	237,766	247,983
OTHER FUNDS	(Accumulated Benefits)	9.5	169,806	152,815
			475,621	473,844

At reporting date there were outstanding contributions of \$39,067 (2015 \$Nil) payable to the above funds. No loans have been made to the Board from these funds.

NOTE 17 Responsible Persons

Responsible Persons

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

Responsible Minister

Hon Lisa Neville, MP Minister for Environment, Climate Change and Water from Dec 2014 to May 2016
 Hon Liliama (Lily) D'Ambrosio, MP Minister for Energy, Environment and Climate Change from May 2016 to 31 Dec 2016

Board

Nicole Feeney, Board Member 1 Nov 2015 to 31 Dec 2015. Chairman of the Board from 1 Jan 2016 to 31 Dec 2016.
 Maxine Morand, Board Member. Deputy Chairman of the Board from 1 Jan 2016 to 31 Dec 2016.
 David Anstee, Board Member from 1 Nov 2015 to 31 Dec 2016.
 Stephen Clement, Board Member from 1 Nov 2015 to 31 Dec 2016.
 Julia Hunter, Board Member from 1 Jan 2016 to 31 Dec 2016.
 Andrew Skewes, Board Member from 1 Jan 2016 to 31 Dec 2016.
 Jo Shannon, Board Member from 1 Jan 2016 to 31 Dec 2016.
 Deborah Spring, Board Member. Chairman of the Board from 1 Nov 2015 to 31 Dec 2015.
 Ronald Mason, Board Member. Deputy Chairman of the Board from 1 Nov 2015 to 31 Dec 2015.
 Timothy Piper, Board Member from 1 Nov 2015 to 31 Dec 2015.
 Peter Hagenauer, Board Member from 1 Nov 2015 to 31 Dec 2015.

Accountable Officer

Jonathan Hutchins, Chief Executive Officer and Accountable Officer from 1 Nov 2015 to 31 Dec 2016.

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 2016 was \$321,074 (2015 - \$424,417). The decrease is due to the change in CEO as of 1 January 2015.

The number of Responsible Persons whose remuneration from the Board was within the specified bands are as follows:

Remuneration Bands	Total Remuneration For a 14 month period 2016 No.	For a 12 month period 2015 No.
\$ 0 - \$ 9,999	10	6
\$ 10,000 - \$ 19,999	1	1
\$ 150,000 - \$ 159,999	-	1
\$ 190,000 - \$ 199,999	-	-
\$ 210,000 - \$ 219,999	-	1
\$ 240,000 - \$ 249,999	-	-
\$ 250,000 - \$ 259,999	1	-
Total Responsible persons	12	9
Total Remuneration	\$ 321,074	\$ 424,417

The relevant Minister's remuneration is reported separately in the financial statements of the Department of Premier & Cabinet.

NOTE 17 Responsible Persons cont

Retirement Benefits of Responsible Persons

There were no retirement benefits paid by the Board in connection with the retirement of Responsible Persons of the Board during the financial year.

Loans

At 31 December 2016 there were no loans in existence that have been made, guaranteed or secured by the Board to a Responsible Person of the Board or a related party of a Responsible Person. (2015 - nil)

Commercial and Property Interests:

Nicole Feeney has property interests at Chalet Hotham and is a member of Anton Huette (Hotham Heights) Inc. Nicole is also a board member for the ARCC. Andrew Skewes is a member of the Anton Huette Australian Alpine Club.

Ronald Mason is a member of Asgaard Alpine Club Inc. and is a committee member of the club.

Peter Hagenauer is a member of Asgaard Alpine Club Inc. and is a committee member of the club.

Maxine Morand confirmed her husband is the CEO of Vic Roads.

Deborah Spring, Timothy Piper, Maxine Morand, Julia Hunter, Jo Shannon, David Anstee, and Stephen Clement held no interest in property at Mt Hotham.

Jonathan Hutchins (CEO) has interests in property at Moritz, Mt Hotham and is the secretary of the body corporate. Jonathan is also the owner of Kyria Pty Ltd.

All transactions are conducted on an arms length commercial basis between the Board and the organisations listed below. During the year, the Board received/paid the following amounts:

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

	Revenue \$	Expenditure \$	Outstanding debtors at 31/12/2016 \$	Outstanding Creditors at 31/12/2016 \$
Alpine Resort Coordinating Council	-	505,531	-	-
Anton Huette (Hotham Heights) Inc.	56,818	-	10,429	-
Chalet Hotham Body Corporate	116,384	-	20,564	-
Chalet Hotham # 22	399	-	67	-
Asgaard Alpine Club Inc	74,023	-	13,013	-
Moritz Mt Hotham Pty Ltd	146,027	30,950	29,657	-
Kyria Pty Ltd	-	9,888	-	706
Vic Roads	-	34,689	-	1,326
Total	393,651	581,058	73,730	2,032

NOTE 18 Remuneration of executives and payment to other personnel (i.e. contractors with significant management responsibilities)

(a) Remuneration of executives

The number of executive officers, other than responsible persons, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, allowances, vehicles, redundancy payments and retirement benefits. The total annualised equivalent provides a measure of full time equivalent executive officers over the reporting period. Variance between base remuneration and total remuneration is due to excessive Annual Leave payouts and payment of Higher Duties for CEO Annual leave.

Remuneration bands	Total Remuneration		Base Remuneration	
	2016 For a 14 month period No.	2015 For a 12 month period No.	2016 For a 14 month period No.	2015 For a 12 month period No.
\$0 - \$99,999	-	1	-	1
\$100,000 - \$109,999	-	-	-	1
\$110,000 - \$119,999	-	1	-	-
\$120,000 - \$129,999	-	1	-	2
\$130,000 - \$139,999	-	1	2	-
\$140,000 - \$149,999	1	-	1	1
\$150,000 - \$159,999	1	1	1	-
\$160,000 - \$169,999	1	-	-	-
\$170,000 - \$179,999	-	-	-	-
\$180,000 - \$189,999	-	-	-	-
\$190,000 - \$199,999	1	-	-	-
Total number of executives	4	5	4	5
Total annualised employment equivalents (AEE) ¹	4	4.4	4	4.03
Total Amount	\$ 659,675	\$ 624,644	\$ 569,796	\$ 527,194

¹ Annualised employee equivalent is based on working 38 hours per week over the reporting period.

(b) Payments to other personnel (i.e. contractors with significant management responsibilities)

Payments have been made to one contractor with significant management responsibilities, which are disclosed in the \$10,000 expense band. This contractor is responsible for planning, directing or controlling, directly or indirectly, of the Boards Property Planning and Crown leasing department.

Expense band	Total expense (exclusive of GST)	
	2016 No	2015 No
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	1	-
Total expenses (exclusive of GST)	\$ 118,718	\$ 109,304

NOTE 19 Financial Instruments

(A) Financial risk management objectives and policies

Mount Hotham Alpine Resort Management Board's principal financial instruments comprise of:

- cash assets;
- term deposits;
- receivables;
- payables; and
- borrowings.

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

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

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

The RMB uses different methods to measure and manage the different risks to which it is exposed.

Categorisation of financial instruments

2016	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
Contractual financial assets	\$	\$	\$
Cash and deposits	927,816	-	927,816
⁽ⁱ⁾ Receivables	811,667	-	811,667
Other receivables	23,564	-	23,564
Term Deposits	3,000,000	-	3,000,000
Total contractual financial assets	4,763,046	-	4,763,046
Contractual financial liabilities			
⁽ⁱ⁾ Accounts Payable	-	1,041,213	1,041,213
Fixed Rate Borrowings - TCV	-	1,430,973	1,430,973
Total contractual financial liabilities	-	2,472,185	2,472,185
2015			
Contractual financial assets			
Cash and deposits	2,038,019	-	2,038,019
⁽ⁱ⁾ Receivables	497,596	-	497,596
Other receivables	47,312	-	47,312
Term Deposits	4,300,000	-	4,300,000
Total contractual financial assets	6,882,927	-	6,882,927
Contractual financial liabilities			
⁽ⁱ⁾ Accounts Payable	-	622,286	622,286
Fixed Rate Borrowings - TCV	-	1,544,880	1,544,880
Total contractual financial liabilities	-	2,167,166	2,167,166

Note:

(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)

NOTE 19 Financial Instruments cont.

(B) Interest Rate Risk Exposure

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

Table 19.1 2016	Weighted Average Interest Rate	Interest Rate Exposure			
		Carrying amount	Fixed Interest	Variable Interest	Non-Interest Bearing
		\$	\$	\$	\$
Financial Assets					
Cash	0.65%	927,816	-	840,466	87,350
⁽ⁱ⁾ Receivables and other receivables		835,231	-	-	835,231
Other financial assets	2.30%	3,000,000	3,000,000	-	-
		4,763,046	3,000,000	840,466	922,581
Financial Liabilities					
⁽ⁱ⁾ Accounts Payable		1,041,213	-	-	1,041,213
Fixed Rate Borrowings - TCV	6.58%	1,430,973	1,430,973	-	-
		2,472,185	1,430,973	-	1,041,213
2015					
Financial Assets					
Cash	1.59%	2,038,019	-	2,036,691	1,327
⁽ⁱ⁾ Receivables and other receivables		544,909	-	-	544,909
Other financial assets	2.56%	4,300,000	4,300,000	-	-
		6,882,927	4,300,000	2,036,691	546,236
Financial Liabilities					
⁽ⁱ⁾ Accounts Payable		622,286	-	-	622,286
Variable Rate Borrowings - TCV	6.58%	1,544,880	1,544,880	-	-
		2,167,166	1,544,880	-	622,286

NOTE 19 Financial Instruments cont.

Table 19.2 2016	Weighted Average Interest Rate	Nominal Amount	Maturity Dates					
			Not past due and not impaired	Less than 1 month	1-3 months	More than 3 months - 1	1-5 years	> 5 years
		\$	\$	\$	\$	\$	\$	
Financial Assets								
Cash	0.65%	927,816	-	-	-	-	-	-
⁽ⁱ⁾ Receivables and other receivables		835,231	788,631	-	46,599	-	-	-
Other financial assets	2.30%	3,000,000	-	-	3,000,000	-	-	-
		4,763,046	788,631	-	46,599	3,000,000	-	-
Financial Liabilities								
⁽ⁱ⁾ Accounts Payable		1,041,213	1,041,213	1,041,213	-	-	-	-
Fixed Rate Borrowings - TCV	6.58%	1,430,973	-	23,918	74,139	528,391	804,525	-
		2,472,185	1,041,213	1,041,213	23,918	74,139	528,391	804,525
2015								
Financial Assets								
Cash	1.59%	2,038,019	-	-	-	-	-	-
⁽ⁱ⁾ Receivables and other receivables		544,909	271,711	-	273,198	-	-	-
Other financial assets	2.56%	4,300,000	-	1,000,000	1,300,000	1,500,000	-	-
		6,882,927	544,909	1,544,909	1,300,000	1,500,000	-	-
Financial Liabilities								
⁽ⁱ⁾ Accounts Payable		622,286	622,286	622,286	-	-	-	-
Fixed Rate Borrowings - TCV	6.58%	1,544,880	-	22,045	68,333	528,391	926,112	-
		2,167,166	622,286	622,286	22,045	68,333	528,391	926,112

Note:

⁽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)

NOTE 19 Financial Instruments cont.

(C) Credit Risk Exposures

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

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

(D) Net fair values of financial assets and liabilities

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

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

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

(E) Liquidity Risk

Liquidity risk arises when the Mount Hotham Alpine Resort Management Board is unable to meet its financial obligations as they fall due. The Mount Hotham Alpine Resort Management Board operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

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

(G) 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.

Financial Assets	Carrying Amount \$	-1.0% Surplus	-1.0% Equity	1.0% Surplus	1.0% Equity
2016					
Cash exposed to variable interest rates and short term deposits	840,466	(8,405)	(8,405)	8,405	8,405
2015					
Cash exposed to variable interest rates and short term deposits	2,036,691	(20,367)	(20,367)	20,367	20,367

NOTE 20 Reserves

Physical Asset Revaluation Surplus:

Balance at beginning of financial year

Revaluation increments/(decrements)

Balance at end of financial year

Net Changes in reserve

	2016 \$	2015 \$
Balance at beginning of financial year	36,785,194	36,785,194
Revaluation increments/(decrements)	(6,042,867)	-
Balance at end of financial year	30,742,327	36,785,194
Net Changes in reserve	(6,042,867)	-

NOTE 21 Subsequent Events

The Mt Hotham Alpine Resort Management Board was not aware of any subsequent events.

Accountable Officer's and Chief Financial and Accounting Officer's declaration.

The attached financial statements for the Mount Hotham Alpine Resort Management Board have been prepared in accordance with Standing Directions 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the period ended 31 December 2016 and financial position of the Mount Hotham Alpine Resort Management Board at 31 December 2016.

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 17th February 2017.



Nicole Feeney
CHAIRMAN
17th February 2017



Jonathan Hutchins
CHIEF EXECUTIVE OFFICER
17th February 2017



Fiona Hammond
CHIEF FINANCIAL AND ACCOUNTING OFFICER
17th February 2017

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FRD - Financial Reporting Direction
SD - Standing Direction
IFC - Inside Front Cover
MRO - Model Report of Operations
PC - Premier's Circular



Erratum (Page 16-18)

The following amendments replace the published data.

PAGE 16: FINANCIAL SUMMARY

The following numbers are not significantly changed from those originally published. They were a result of a publishing misprint.

	2013/14 12 Months	2014/15 12 Months	
Financial			
Current assets/current liabilities	5.94	4.38	

	2013/14 12 Months	
Assets are comprised by date		
Land	41,815	

PAGE 18: KEY PERFORMANCE INDICATORS

The following numbers were originally published in the report on page 16, but were omitted or mistransposed on page 18.

	2015/16 14 Months
Resort Investment	
Total CAPEX ('000) (includes Geotech and WIP)	\$3.94m

	2013/14 12 Months	2014/15 12 Months	2015/16 14 Months
Financial			
Outstanding debtors as % of revenue			9.09%
Closing cash ('000) (including term deposits)			\$3,928
Operating cash flow/total assets			1.99%
Current assets/current liabilities	5.94	4.38	2.87

PAGE 18: ECONOMIC KEY PERFORMANCE INDICATORS

The following numbers are not significantly changed from those originally published. They were a result of a publishing misprint.

	2013/14	
E.4 Asset cycle sustainability		
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.	0.27	